Newfoundland and Labrador

# Budget Highlights 1992

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The 1992-93 Budget outlines a total spending program as follows:

- Total gross current and capital account expenditure is estimated to be $3,536,924,800 as compared to 1991-92 revised of $3,395,937,000;
- Government is forecasting in this Budget a current account deficit of $28,983,000 as compared to last year's deficit of $59,542,000;
- Government's gross capital expenditure is forecast to be $372,280,000 versus $362,093,000 in 1991-92. Net capital expenditure is projected to be $210,751,000 versus $227,328,000 in 1991-92; and
- Government's total budgetary requirement will be $239,734,000. The total debt retirement is $155,445,000 thus necessitating a planned borrowing requirement of $395,179,000.

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- To keep the current account deficit for 1992-93 below $30,000,000;
- No increase in operating budgets for most government departments and government-funded agencies;
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  - Additional funding of $730,000 has been provided to address wildlife protection and environmental matters;
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  - The Province's share of the Atlantic Salmon Management Program has been funded at $7,600,000;
  - Funding of $1,100,000 has been provided for Hibernia related training;
  - Effective April 1, 1992, a 2.2 percent increase will be provided to social assistance recipients;
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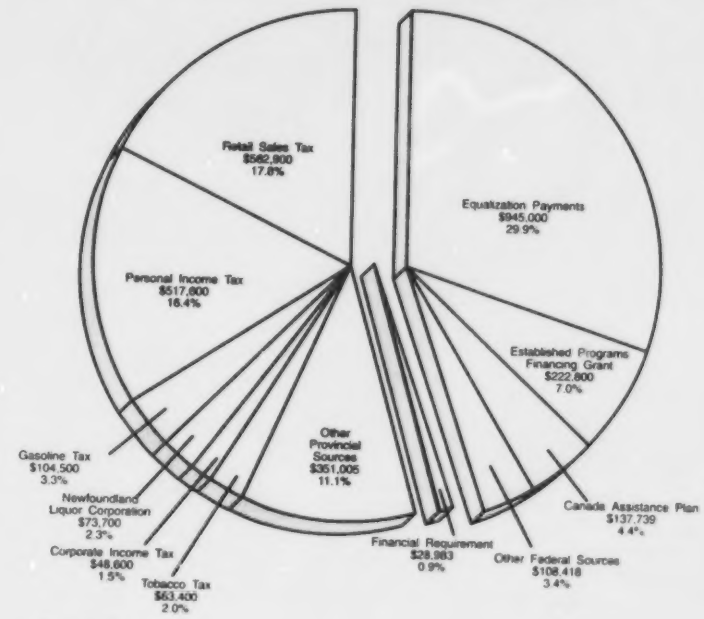
  - Tobacco tax will increase effective midnight tonight by one cent to 7.78 cents per cigarette, with a concurrent increase in the rate charged on fine cut tobacco of 0.67 cents per gram; and
  - Government has eliminated 171 fees, reduced others and eliminated a number of licences.

## SUMMARY OF CURRENT REVENUES (By Source)

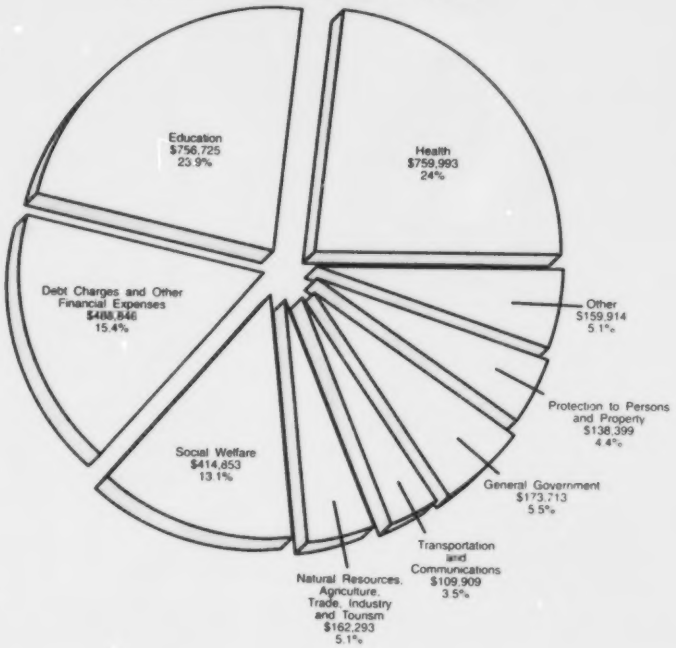
# WHERE THE MONEY COMES FROM




| Percentage of Total | | Source | Amount ($000) | |
|---|---|---|---|---|
| Revised 1991-92 | Estimate 1992-93 | | Estimate 1992-93 | Revised 1991-92 |
| | | **Provincial:** | | |
| 18.6 | 17.8 | Retail Sales Tax | 562,900 | 564,000 |
| 15.4 | 16.4 | Personal Income Tax | 517,600 | 467,700 |
| 3.5 | 3.3 | Gasoline Tax | 104,500 | 106,500 |
| 2.7 | 2.3 | Newfoundland Liquor Corporation | 73,700 | 80,500 |
| 1.6 | 1.5 | Corporate Income Tax | 48,600 | 49,100 |
| 1.9 | 2.0 | Tobacco Tax | 63,400 | 56,500 |
| 10.6 | 11.1 | Other Provincial Sources | 351,005 | 321,506 |
| 54.3 | 54.4 | **Total: Provincial** | 1,721,705 | 1,645,806 |
| | | **Government of Canada:** | | |
| 29.2 | 29.9 | Equalization Payments | 945,000 | 886,600 |
| 7.4 | 7.0 | Established Programs Financing Grant | 222,800 | 224,500 |
| 4.2 | 4.4 | Canada Assistance Plan | 137,739 | 129,615 |
| 2.9 | 3.4 | Other Federal Sources | 108,418 | 87,781 |
| 43.7 | 44.7 | **Total: Government of Canada** | 1,413,957 | 1,328,496 |
| 98.0 | 99.1 | **Total: Current Revenues** | 3,135,662 | 2,974,302 |
| 2.0 | 0.9 | **Financial Requirement** | 28,983 | 59,542 |
| 100.0 | 100.0 | **Total** | 3,164,645 | 3,033,844 |

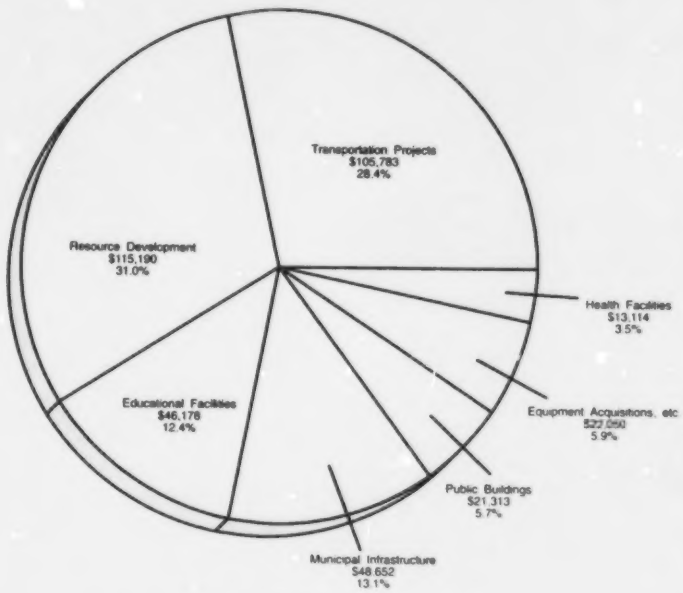
## SUMMARY OF CURRENT ACCOUNT EXPENDITURE (By Function)

## WHERE THE MONEY GOES



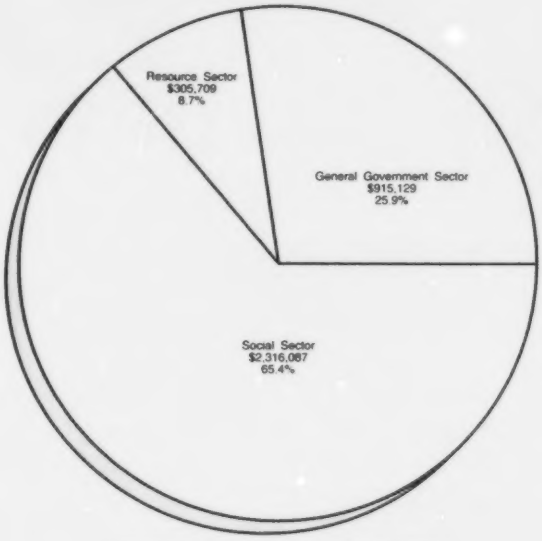

| Percentage of Total | | Function of Expenditure | Amount ($000) | |
|---|---|---|---|---|
| Revised 1991-92 | Estimate 1992-93 | | Estimate 1992-93 | Revised 1991-92 |
| | | **Expenditure:** | | |
| 23.3 | 23.9 | Education | 756,725 | 707,907 |
| 24.4 | 24.0 | Health | 759,993 | 741,565 |
| 16.3 | 15.4 | Debt Charges and Other Financial Expenses | 488,846 | 493,900 |
| 13.3 | 13.1 | Social Welfare | 414,853 | 402,061 |
| 4.4 | 5.1 | Natural Resources, Agriculture, Trade, Industry and Tourism | 162,293 | 134,149 |
| 5.4 | 5.5 | General Government | 173,713 | 163,705 |
| 4.4 | 4.4 | Protection to Persons and Property | 138,399 | 133,093 |
| 3.4 | 3.5 | Transportation and Communications | 109,909 | 103,341 |
| 5.1 | 5.1 | Other | 159,914 | 154,123 |
| 100.0 | 100.0 | **Total: Expenditure** | 3,164,645 | 3,033,844 |

## SUMMARY OF GROSS CAPITAL ACCOUNT EXPENDITURE
## (By Category)




| Percentage of Total | | Category of Capital Expenditure | Amount ($000) | |
|---|---|---|---|---|
| Revised 1991-92 | Estimate 1992-93 | | Estimate 1992-93 | Revised 1991-92 |
| | | **Expenditure:** | | |
| 34.4 | 31.0 | Resource Development | 115,190 | 124,385 |
| 26.9 | 28.4 | Transportation Projects | 105,783 | 97,521 |
| 10.1 | 13.1 | Municipal Infrastructure | 48,652 | 36,425 |
| 12.9 | 12.4 | Educational Facilities | 46,178 | 46,821 |
| 6.0 | 5.9 | Equipment Acquisitions, etc. | 22,050 | 21,699 |
| 5.8 | 5.7 | Public Buildings | 21,313 | 21,126 |
| 3.9 | 3.5 | Health Facilities | 13,114 | 14,116 |
| 100.0 | 100.0 | **Total: Expenditure** | 372,280 | 362,093 |
| | | **Sources of Financing:** | | |
| 32.1 | 38.1 | Government of Canada Revenues | 141,785 | 116,345 |
| 5.1 | 5.3 | Provincial Revenues | 19,744 | 18,420 |
| 62.8 | 56.6 | Financial Requirement | 210,751 | 227,328 |
| 100.0 | 100.0 | **Total: Sources** | 372,280 | 362,093 |

## SUMMARY OF GROSS GOVERNMENT EXPENDITURE
## CURRENT AND CAPITAL
## (By Sector)




**(TOTAL EXPENDITURE: $3,536,924,800)**

### GROSS GOVERNMENT EXPENDITURE

| | Estimate 1992-93 ($000) | Percentage of Total % |
|---|---|---|
| Sector Expenditure | | |
| General Government | 915,129 | 25.9 |
| Resource | 305,709 | 8.7 |
| Social | 2,316,087 | 65.4 |
| **Total: Expenditure** | 3,536,925 | 100.0 |

### GENERAL GOVERNMENT SECTOR

| | Estimate 1992-93 ($000) | Percentage of Total % |
|---|---|---|
| Consolidated Fund Services | 543,447 | 15.4 |
| Executive Council | 18,544 | 0.5 |
| Finance | 53,062 | 1.5 |
| Legislature | 11,013 | 0.3 |
| Public Service Commission | 2,798 | 0.1 |
| Works, Services & Transportation | 286,265 | 8.1 |
| **Total: General Government Sector** | 915,129 | 25.9 |

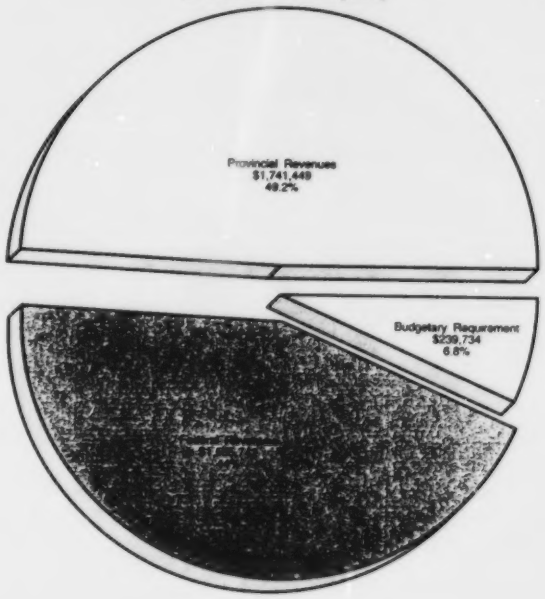
### SOCIAL SECTOR

| | Estimate 1992-93 ($000) | Percentage of Total % |
|---|---|---|
| Education | 825,783 | 23.3 |
| Employment and Labour Relations | 21,272 | 0.6 |
| Health | 882,888 | 25.0 |
| Justice | 113,895 | 3.2 |
| Municipal and Provincial Affairs | 172,733 | 4.9 |
| Newfoundland and Labrador Housing Corporation | 18,657 | 0.5 |
| Social Services | 280,859 | 7.9 |
| **Total: Social Sector** | 2,316,087 | 65.4 |

### RESOURCE SECTOR

| | Estimate 1992-93 ($000) | Percentage of Total % |
|---|---|---|
| Development | 157,426 | 4.5 |
| Environment and Lands | 30,808 | 0.9 |
| Fisheries | 43,538 | 1.2 |
| Forestry and Agriculture | 57,476 | 1.6 |
| Mines and Energy | 16,461 | 0.5 |
| **Total: Resource Sector** | 305,709 | 8.7 |

## SUMMARY OF BUDGETARY FINANCING SOURCES
## (Current and Capital)




| Percentage of Total | | Category of Financing | Amount ($000) | |
|---|---|---|---|---|
| Revised 1991-92 | Estimate 1992-93 | | Estimate 1992-93 | Revised 1991-92 |
| | | **Revenue Sources:** | | |
| 49.0 | 49.2 | Provincial | 1,741,449 | 1,664,226 |
| 42.5 | 44.0 | Federal | 1,555,742 | 1,444,841 |
| 91.5 | 93.2 | | 3,297,191 | 3,109,067 |
| | | **Budgetary Requirement:** | | |
| | | Capital Account (Net Expenditure) | 210,751 | 227,328 |
| | | Current Account (Net Requirement) | 28,983 | 59,542 |
| 8.5 | 6.8 | Total Budgetary Requirement | 239,734 | 286,870 |
| 100.0 | 100.0 | **Total: Sources** | 3,536,925 | 3,395,937 |

Newfoundland and Labrador

# Budget 1992

Presented by
Honourable Hubert Kitchen
Minister of Finance

# 1992 BUDGET

## NEWFOUNDLAND AND LABRADOR

PRESENTED BY

HONOURABLE HUBERT KITCHEN
MINISTER OF FINANCE

AT THE
FOURTH SESSION OF THE FORTY FIRST GENERAL ASSEMBLY
OF THE HOUSE OF ASSEMBLY

THURSDAY, MARCH 26, 1992

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## INTRODUCTION

Mr. Speaker, today I am pleased to present to this Honourable House the fourth Budget of this Administration.

This Budget advances further our progress towards ensuring the financial integrity and flexibility of the Province, while meeting the special challenges posed by the recession in a manner consistent with our means. This Budget puts in place more of the building blocks necessary to ensure sustainable economic recovery and growth.

Mr. Speaker, the Newfoundland economy, like that of the rest of Canada, has been sailing rough waters. The causes, like the current difficulties in the fishing industry, are largely beyond our control. The people and the economy of Newfoundland and Labrador historically have demonstrated considerable resilience in times of adversity. The current difficulties also will be overcome. This Government will continue to do everything within its means to ensure that assistance is provided to those whose livelihoods are affected, and to instill confidence in our economic prospects by seeking long-term constructive solutions.

## ECONOMIC REVIEW AND OUTLOOK

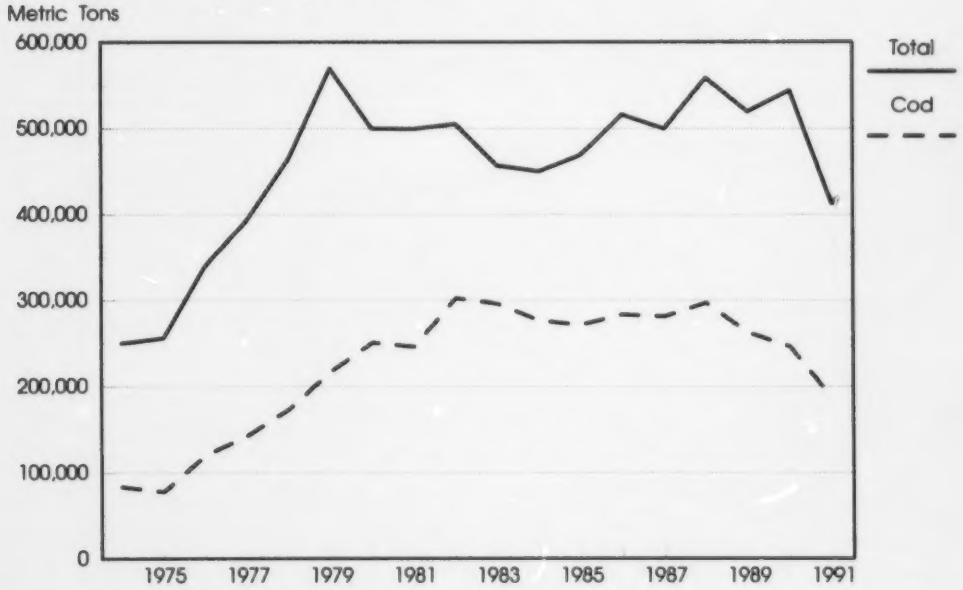
Recovery of the Canadian economy from the recession has been slower than anticipated. Continued weakness in export markets, the high Canadian dollar, high corporate, public and personal debt, the restructuring of industry in response to a more open and competitive international economy, cross border shopping, and weak consumer spending, all contributed to the economic slowdown during 1991. It now appears that it will be late spring before the recovery is firmly in place. However, in 1992, with low inflation and low interest rates, growth in the Canadian economy is expected to be third highest of the G-7 countries.

In last year's Budget, we projected the economy of Newfoundland and Labrador would experience in 1991 a modest growth of about 0.7 percent, after adjusting for inflation. As it turned out, there was a decline of 0.5 percent, caused largely by the unanticipated deterioration in the fishing industry and the persistence of the recession. Total employment in the Province declined by 2.0 percent, resulting in an average unemployment rate of 18.4 percent.

Mr. Speaker, last year was not a good year for the fishery. Lower landings by the offshore fleet, and the virtual failure of the inshore fishery in some areas, resulted in a total volume of landings 24.0 percent less than the previous year. The value of those landings declined by 14.5 percent.

Figure 1

Fish Landings - Newfoundland




Weak national economic performance in the last quarter of 1991 has caused most forecasters to lower their expectations for 1992. The Canadian economy now is expected to grow by 2.0 percent in real terms. The Consumer Price Index is forecast to increase by 2.3 percent nationally and 1.8 percent in this Province.

Many forecasters had been projecting that Newfoundland would lead the country in economic growth in 1992. However, in light of recent announcements regarding the fishery and Hibernia, provincial GDP is now expected to contract by a further 0.5 percent in 1992, after adjusting for inflation. Total employment is forecast to be 3.0 percent below last year's level, resulting in a rise in the average unemployment rate to 20.4 percent.

Mr. Speaker, in 1992 the Newfoundland economy will continue to be dominated by events in the fishery. The single most important economic issue facing this Province today is the fisheries resource crisis. For years, the Provincial Government and the fishing industry have warned that mismanagement and foreign overfishing were jeopardizing the fish stocks. The existence of hundreds of communities, and the livelihoods of thousands of people are threatened.

While Government supports the recent quota reductions, we are concerned that they will not be enough to revitalize the cod stocks. Further effective action must be taken. The international community also must be made more aware of the ecological devastation caused by overfishing. Mr. Speaker, overfishing must stop!

The many Newfoundlanders and Labradorians directly employed in the fishing industry should not have to shoulder the responsibility for the mismanagement of the resource. This

Government has offered the Government of Canada assistance in developing an appropriate economic diversification and adjustment program that would minimize losses in employment and income. Also, to build a stronger fishery for the future, the Province has proposed joint management through the establishment of a Canada-Newfoundland Fisheries Management Board. This Board would provide a structure to integrate the fisheries management and development policies of both levels of government. We urge the Government of Canada to work more closely with us on this issue so vital to the future of the Province.

Mr. Speaker, the recent decision by Gulf Canada to withdraw from the Hibernia project was unfortunate but not totally unexpected. They indicated more than a year ago that they wished to sell a portion of their share of the project. The commitment of the remaining partners in the Hibernia consortium to the development of this resource remains firm. They would not continue to spend about $1.5 million daily and continue to transfer staff into Newfoundland, if they did not believe in the viability of the project or in their ability to attract new investment.

Despite the announced rescheduling of the Hibernia project to now produce first oil in 1997 instead of in late 1996, average employment on the project is expected to increase this year by about 180 person years from last year's level of about 1,060 person years.

Driven in large part by spending on the Hibernia project, overall investment in the Province is expected to grow by 4.6 percent in 1992.

Mr. Speaker, discussions are continuing between Newfoundland and Labrador Hydro and Hydro Quebec concerning the development of the hydro-electric potential of the Lower Churchill. If an agreement can be reached, there would be significant economic benefits to the Province, and to the rest of Canada. Labrador would be the focus of 15,000 person years of employment over an eight-to-ten year period. Also, the Province would have an assured, long-term supply of electricity for its industrial, commercial and residential needs.

Mr. Speaker, a Strategic Economic Plan for the Province soon will be released. In addition to the challenges facing the Province as the result of globalization, the Plan will take into account the results of the public consultations conducted last fall by the Advisory Council on the Economy. The Strategic Economic Plan will offer a solid framework for focusing development and will provide a basis for action aimed at economic growth and diversification.

**Table 1**

**PROVINCE OF NEWFOUNDLAND**

**MAIN ECONOMIC INDICATORS**

(percentage change)

| | 1991 | 1992 |
|---|---|---|
| **Gross Domestic Product** | | |
| -Nominal | 2.3 | 1.3 |
| -Real | -0.5 | -0.5 |
| **Personal Income** | | |
| -Nominal | 4.1 | 1.6 |
| -Real | -1.9 | -0.3 |
| **Personal Disposable Income** | | |
| -Nominal | 3.6 | 0.8 |
| -Real | -2.4 | -1.0 |
| **Retail Sales** | | |
| -Nominal | 1.3 | 0.3 |
| -Real | -3.0 | -1.5 |
| **Investment** | 6.2 | 4.6 |
| **Employment** | -2.0 | -3.0 |
| **Unemployment Rate (percent)** | 18.4 | 20.4 |
| **Consumer Price Index** | 6.1 | 1.8 |

## FISCAL FRAMEWORK

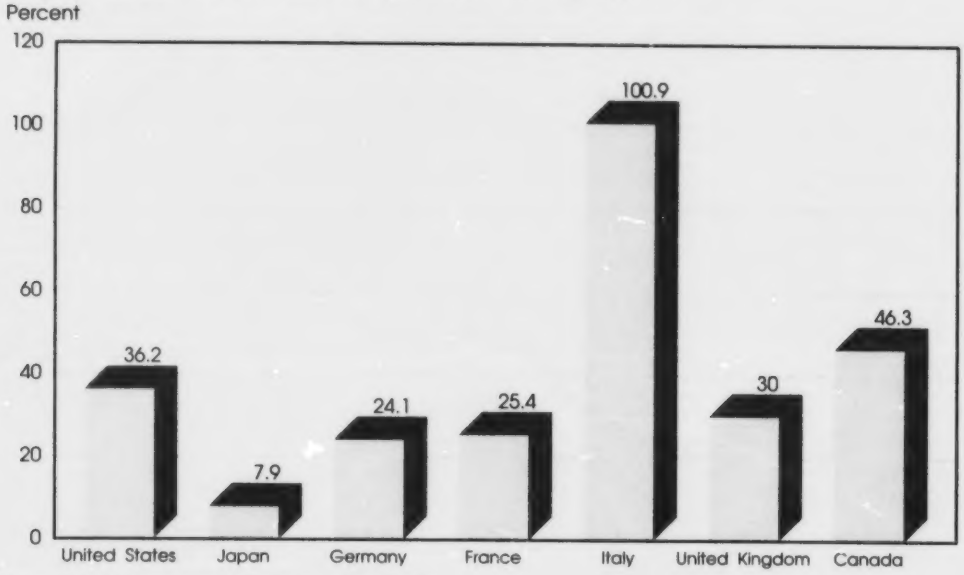
Mr. Speaker, the formulation of economic and fiscal policies in the 1990s must be made in response to many new realities. National and international policy agendas increasingly are focusing upon enhancing productivity and competitiveness. High levels of past borrowing have reduced the ability of all governments to sustain high levels of spending. Tax rates in Canada are relatively high. Fiscal restraint by the federal government, coupled with slow revenue growth in all provinces, has reduced growth in transfer payments.

Mr. Speaker, the most serious fiscal problem facing Canada is the high level of public debt. Among G-7 countries, Canada's public sector debt as a proportion of economic output is exceeded only by that of Italy. This relatively high debt burden must be reduced if we are to maintain our standard of living.

Taxes in Canada, while lower than in many G-7 countries, are significantly above those of the United States, our largest trading partner, and of Japan, an increasingly important market for our products and services. Governments must restrain the proportion of economic output taken in taxes, if the private sector is to be competitive in the international market place.

Figure 2

Net Public Debt as a Percent of GDP, 1991




Source: OECD Economic Outlook, December, 1991.

Mr. Speaker, this Government has demonstrated a steadfast commitment to prudent management of the Province's finances. In 1989, our first Budget set out a realistic, responsible fiscal plan that was within our means. We adhered rigorously to those principles in our 1990 and 1991 Budgets.

We have made substantial progress towards our priorities without imposing an undue burden on future generations. Our fiscal plan is working. Mr. Speaker, we have no intention of changing our strategy or reversing that hard-won progress.

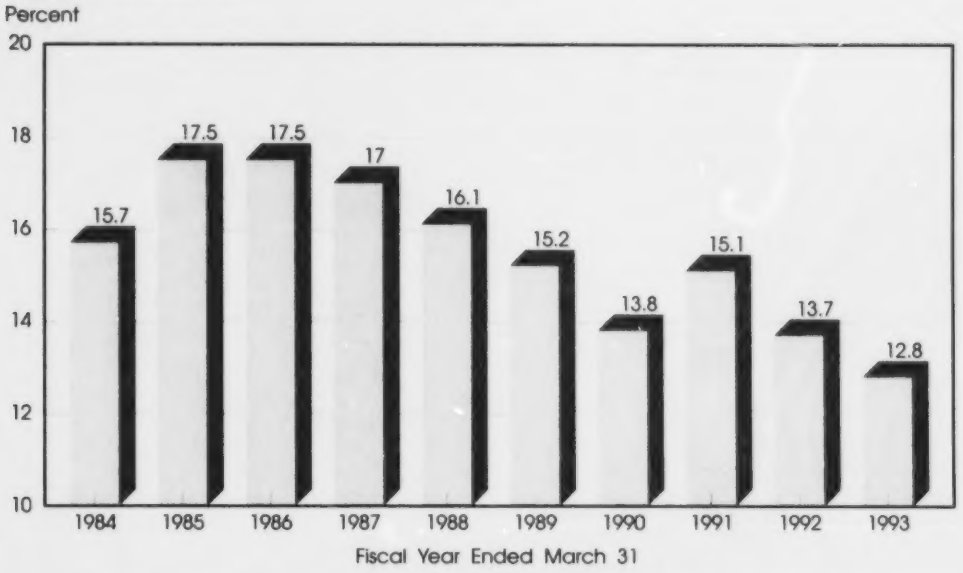
To ensure our continued ability to provide quality services in areas of priority, we have taken initiatives designed to make Government more efficient and cost-effective. In previous Budgets, we streamlined operations by reorganizing and reducing the number of departments and agencies. We have reduced the size of the public service. We have made major organizational changes in the delivery of health care, municipal and educational services, and economic development programs.

As a result of these initiatives, many of the ongoing operating expenses of Government, including departmental salaries, travel, supplies, furnishings and equipment have grown at a rate less than inflation.

The purpose of controlling our spending is to reduce our budgetary deficit, so that we will borrow less. As our reliance on debt declines, relative debt service costs decline, freeing up more funds to spend within the Province on health, education, economic development, and other priorities. Mr. Speaker, interest payments as a percent of revenue, have declined from a peak of 17.5 percent in 1986, to 12.8 percent this coming year.

Figure 3

Interest Payments as a Percent of Revenue - Newfoundland




Despite the real improvements, more needs to be done to control our debt. Government has taken steps to address the unfunded liabilities of our pension funds, and is considering measures to address the unfunded liability of our Workers' Compensation Commission fund. The public sector, including municipalities, Crown corporations and agencies, still borrows to finance a substantial portion of expenditures on services and capital infrastructure. Mr. Speaker, the financial viability of all public institutions must be preserved.

We do not have the luxury of borrowing endlessly, as some would have us do, for borrowing is simply deferred taxation. If we are to borrow today at the expense of future generations, it should be to benefit the future, not to insulate ourselves from the difficult realities of today. The responsible course of action is to target our resources to established priorities that will contribute most effectively to our long-term well-being.

Mr. Speaker, the requirement to become more efficient and competitive does not imply that Canadians should abandon the sharing principles upon which this nation has been built. Neither can we force change at a rate faster than that to which our people and institutions can adapt. Before removing all the barriers to the free flow of goods, services and labour that exist in this country, we must ensure that there is a level playing field with respect to taxation, services and infrastructure, so that the goal of increased national efficiency is not achieved at the cost of increased regional economic disparity. All regions must be properly prepared to compete successfully in this new environment.

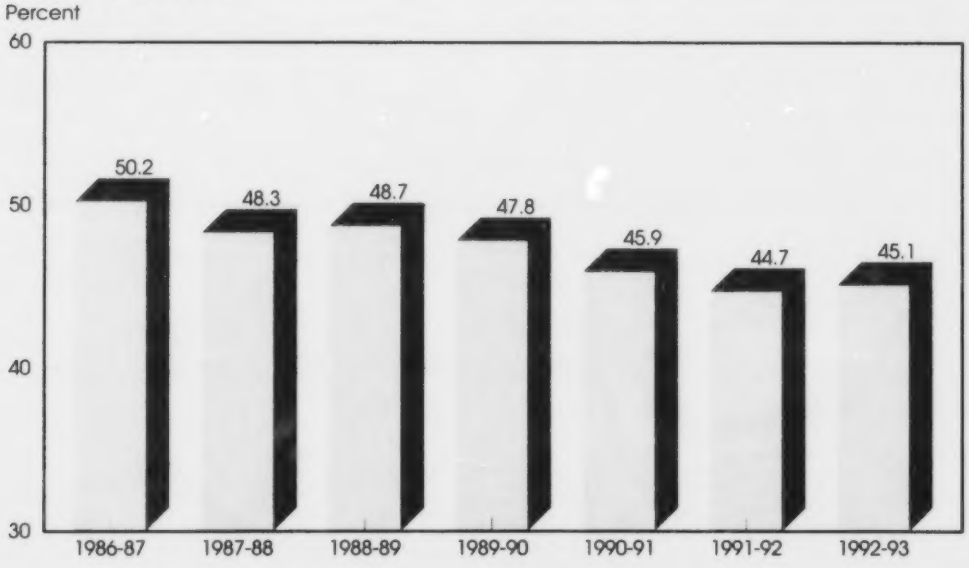
The principal vehicle through which to level the playing field with respect to taxes and services is the Equalization Program. Changes to this program, such as the incorporation of expenditure need, are required to ensure that all Canadians have access to reasonably comparable services at reasonably comparable rates of taxation, a commitment enshrined in the Canadian Constitution.

Other changes also are necessary if our efforts to encourage economic efficiency and equity are to succeed. We must make available throughout the country effective education and skills training, that will prepare our work force and our businesses to participate internationally. We also must ensure that appropriate adjustment mechanisms are in place to assist those who are displaced by the changes in the economy.

Federal transfers are a central component in the Province's revenue structure. While a major portion of our current revenue originates with the Government of Canada, this contribution has been in relative decline in recent years. Fully one-half of current revenue was derived from federal sources in 1986-87. Six years later, in 1992-93 the federal component will have fallen to 45 percent.

Figure 4

Federal Transfers as a Percent of Revenues - Newfoundland




Federal-provincial transfer programs have been the subject of extensive review over the past two years. Negotiated formula adjustments will generate in 1992-93 an increase in transfer payments of $31 million for Newfoundland. However, these gains will offset only partially the negative effect on transfer payments of other factors such as slow economic growth in Canada.

The Equalization Program is to be renewed for two years, commencing April, 1992, rather than the usual five-year period. These two years afford an opportunity to pursue unresolved issues and to link the equalization review with potential reforms to other major transfer programs and with the broader constitutional discussions. We are encouraged by the federal commitment to address the excessive and inequitable equalization tax-backs such as the dollar for dollar loss associated with revenues from offshore oil and gas. The federal

government also has committed to examine means to reflect in the transfer programs, the different costs of providing services in different parts of Canada.

Mr. Speaker, over the past two years, there has been considerable positive discussion of these matters between the federal government and the provinces. We look forward to a continued productive review of fiscal transfers.

## FINANCIAL POSITION

### Financial Review of 1991-92

In our 1991 Budget, the Government took decisive action to avoid an unacceptably large deficit on current account, and to bring in an overall budgetary position that was reflective of our means.

Despite the impact of a significantly weaker economy, both national and provincial, we will have contained the current account deficit at $59.5 million, an increase over Budget of only $5.7 million. This is a remarkable achievement.

Total current account revenue for 1991-92 will be $46.5 million below Budget. Retail sales tax revenue will be $22 million lower than Budget, and there will be a $47.3 million shortfall in equalization transfers. These and other smaller revenue shortfalls will be partially offset by higher than expected revenues from gasoline tax, lottery revenues, Established Programs Financing (EPF) transfers and other sources.

Current account expenditures for the year just ending will be $40.8 million lower than the Budget forecast. The most significant saving will be the cost of servicing the public debt. A higher Canadian dollar, lower interest rates and changes to our planned borrowing program, all will have contributed to a saving of $32 million. Included in this amount is $5.2 million in annual savings resulting from the use of early call provisions to refinance six bond issues at lower interest rates. Increased social assistance payments and an additional $12.5 million in support of employment generation, necessitated by the recession and the problems in the fishery, will be more than offset by savings achieved in other operating expenditures.

On capital account, the 1991 Budget estimates projected net expenditures of $241.3 million. Adjustments to the original estimates during the year included a Government decision to assume $14.5 million of the debt of the Marystown Shipyard, despite the fact that the expected sale of this Crown corporation to Norwegian interests did not materialize. As well, a decision was made to lease-purchase three health care facilities originally included in the capital Budget. Also, lower than anticipated spending occurred under cost-shared agreements with the Government of Canada. In total, net capital spending will be about $14 million less than Budget.

Despite difficult economic circumstances, Mr. Speaker, I am very pleased to confirm that the total budgetary requirement of the Government of Newfoundland and Labrador for the 1991-92 fiscal year will be under Budget by $8.3 million.

**Table 2**

**SUMMARY OF 1991-92 FINANCIAL PERFORMANCE**

**(millions of dollars)**

| | Budget 1991-92 | Revised 1991-92 | Variance |
|---|---|---|---|
| **Current Account** | | | |
| Gross Expenditure | 3,096.0 | 3,033.8 | (62.2) |
| Related Revenue | 369.0 | 347.6 | 21.4 |
| Net Expenditure | 2,727.0 | 2,686.2 | (40.8) |
| Provincial and Federal Revenues | 2,673.2 | 2,626.7 | 46.5 |
| **Current Account Deficit** | 53.8 | 59.5 | 5.7 |
| **Capital Account** | | | |
| Gross Expenditure | 418.0 | 362.1 | (55.9) |
| Related Revenue | 176.7 | 134.8 | 41.9 |
| Net Expenditure | 241.3 | 227.3 | (14.0) |
| **Total Budgetary Requirement** | 295.1 | 286.8 | (8.3) |
| **Debt Retirement** | | | |
| Redemptions | 215.4 | 426.1 | 210.7 |
| Sinking Funds | 63.7 | 59.7 | ( 4.0) |
| **Total Debt Retirement** | 279.1 | 485.8 * | 206.7 |
| **Total Borrowing Requirement** | 574.2 | 772.6 | 198.4 |

*The increase in debt retirement during 1991-92 was due to the redemption of a number of issues prior to maturity so that Government could refinance the debt at lower interest rates.

## Financial Outlook for 1992-93

Mr. Speaker, without corrective action, the budgetary deficit for 1992-93 would have been unacceptably high. In January it was projected that the current account deficit for the coming year would reach $114 million. Subsequent deterioration in the economic and fiscal transfer projections further increased our expected shortfall.

Mr. Speaker, the measures taken in today's Budget have enabled us to bring the projected current account deficit down to $29.0 million. On capital account, gross expenditures of $372.3 million will be partially offset by related revenues of $161.5 million, leaving a net capital account expenditure of $210.8 million, $16.5 million less than in the year just ending.

Mr. Speaker, the combined current and capital budgetary requirement will be $239.8 million in 1992-93, $47.0 million less than in 1991-92.

**Table 3**

**ESTIMATED BUDGETARY POSITION**

**(millions of dollars)**

| | Estimates 1992-93 | Revised 1991-92 |
|---|---|---|
| **Current Account** | | |
| Gross Expenditure | 3,164.7 | 3,033.8 |
| Related Revenue | 376.6 | 347.6 |
| Net Expenditure | 2,788.1 | 2,686.2 |
| Provincial and Federal Revenues | 2,759.1 | 2,626.7 |
| **Current Account Deficit** | 29.0 | 59.5 |
| **Capital Account** | | |
| Gross Expenditure | 372.3 | 362.1 |
| Related Revenue | 161.5 | 134.8 |
| Net Expenditure | 210.8 | 227.3 |
| **Total Budgetary Requirement** | 239.8 | 286.8 |
| **Debt Retirement** | | |
| Redemptions | 99.5 | 426.1 |
| Sinking Funds | 55.9 | 59.7 |
| **Total Debt Retirement** | 155.4 | 485.8 |
| **Total Borrowing Requirement** | 395.2 | 772.6 |

## BUDGET STRATEGY

Mr. Speaker, the fiscal realities which I have outlined today demand that we continue on the course of getting our fiscal house in order. At the same time, we must discharge our responsibilities to provide quality economic and social programs and services for the people of Newfoundland and Labrador.

In our first Budget, we announced that it was our plan to balance current account. We remain resolved to do so and did accomplish that objective in our first year. In 1990-91 we experienced a deficit of $103 million due to the recession and lower than expected transfer payments. Last year, determined to eliminate that deficit, we developed a plan to cut it to $54 million in 1991-92, to no more than $30 million this coming year, and to balance current account in 1993-94 and subsequent years. Accepting higher deficits would mean discarding the progress we have made in improving our finances, and in moving towards a more secure credit rating.

Mr. Speaker, to achieve our planned objectives, this Budget establishes spending guidelines for this year and next. A long-term plan for capital expenditures will be presented in the near future.

Achieving our target for 1992-93 required difficult decisions and continued restraint, particularly in our operating expenditures. We are unable to meet many of the requests for new expenditure initiatives. We are responding, however, to the needs created by the recession by maintaining significant capital spending.

Mr. Speaker, Government has set the municipal capital works commitments this year at $59.9 million, including water and sewer projects, municipal roads and major recreational facilities. This $5 million increase over last year is to advance construction, thereby providing additional employment throughout the Province in this difficult year. There will be a corresponding reduction in municipal capital works next year.

In our last Budget it was necessary to implement significant public sector layoffs. This year, while there is a need for continued restraint, Government will minimize further job losses within the public service.

On the revenue side, we are continuing our efforts to reform the Province's tax system, and we are implementing in this Budget revenue measures necessary to improve that system and to reduce the burden of regulation.

## REVENUE MEASURES

Mr. Speaker, it is a priority of this Government to ensure that the Province's tax system is fair and equitable. We are continuing a comprehensive examination of our tax system with a view to implementing reforms that would be in the best interest of the Province, including analyzing the prospects for retail sales tax reform in light of the federal goods and services tax.

During 1991, Government undertook a public consultation process to solicit input on tax reform options, which resulted in a large number of submissions to Government by a broad cross section of interested groups, businesses and individuals. After due consideration, Government decided to delay a final decision on sales tax reform pending the completion of further analysis and public consultation, focusing on whether the Province should proceed to full sales tax harmonization.

On a matter related to harmonization, governments across the country recently have been examining their consumption tax regimes in light of the seriousness of the cross border shopping issue. The federal government already has taken some positive steps, such as reducing the duty on a wide range of imported goods and lowering the duty free threshold on packages entering the country. The effects of the cross border shopping problem are being felt here, primarily through catalogue and mail order shopping and the goods imported by returning travellers. Such activity is unfair to taxpayers who purchase here and pay their taxes, and is detrimental to businesses operating here. The federal and provincial governments are examining options that could see provincial taxes collected at border points and on mail orders. We hope proposals will come forward to address the border collection issue for jurisdictions which do not share a border with the United States.

There may be an even larger problem for businesses in this Province relating to goods brought by local residents from other provinces. I remind consumers that if an item is brought into the Province for consumption here, then it is the responsibility of the purchaser to ensure that all relevant provincial taxes are paid. The national effort to address the cross border shopping issue also should consider a mechanism to track consumer items presently crossing provincial borders without relevant taxes being paid.

Mr. Speaker, since assuming office one of our priorities has been to put the financing of education on a fairer and sounder basis. We gave a commitment to address the inequities and shortcomings of the school tax system by either reforming or replacing it. The existing school tax is wasteful in its excessive collection costs and grossly unfair both in the sharing of the tax burden and the application of the benefits. Our review, therefore, resulted in our decision to abolish the tax as of June 30, 1992.

In abolishing the school tax, Government assumed the obligation to replace the revenue school boards otherwise would have received. In addition, Government made a commitment to overcome the revenue deficiency experienced by most boards under the school tax regime. In our first Budget, this Government increased funding for the school tax equalization program from $4.5 million to $10 million. Our recent commitment to enhanced equalization will increase this amount by a further $8.8 million in 1992-93 and $11.5 million in 1993-94. Government's commitment for school tax replacement and full equalization amounts to $35 million in 1992-93 and $46 million in 1993-94. It is Government's intention to fund this commitment from the same sectors that will be relieved of the school tax burden and, to the extent practical, in the same proportions.

Mr. Speaker, the school tax system derives about two-thirds of its revenue from individuals by means of a poll tax, which varies throughout the Province from $85 to $150 per year for each person between the ages of 18 and 64 years with an income of more than $7,000. Government will replace the poll tax by increasing the personal income tax rate.

We are seeking from the personal income tax system an additional $21 million in 1992-93, by increasing our tax rate for 1992 by 2.5 percentage points from 62 percent to 64.5 percent of basic federal tax. The requirement for 1993-94 will necessitate an additional 1.5 percentage point increase for calendar 1993 from 64.5 percent to 66 percent.

The substitution of personal income tax for the poll tax will make for a fairer, more progressive tax system for individuals. This change will measurably reduce the tax burden on low income earners, who are presently required to pay the same amount of school tax as those in the highest income brackets. A single taxpayer in St. John's making $30,000 a year will pay the same net tax in 1993. Those between $7,000 and $30,000 will pay less tax after the school tax is eliminated, while those with incomes in excess of $30,000 will pay progressively more. All individuals at the same income level, regardless of where they live in the Province, will now pay the same amount of tax to support education, and all will benefit from the removal of the $4.5 million administrative cost of the school tax system. Mr. Speaker, we have replaced a regressive and unfair tax with one that is progressive and equitable.

Figure 5

Change in Burden on Single Taxpayers

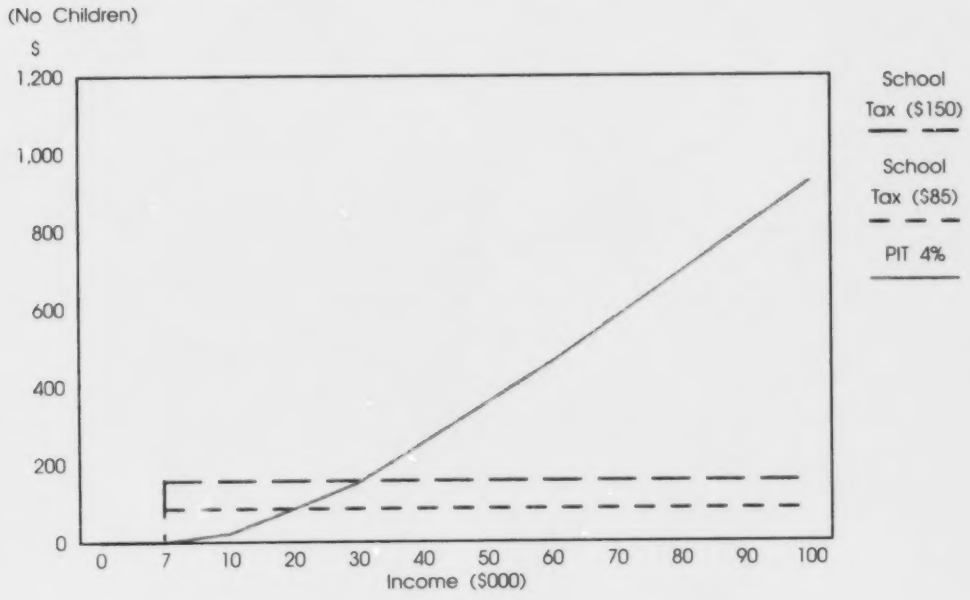
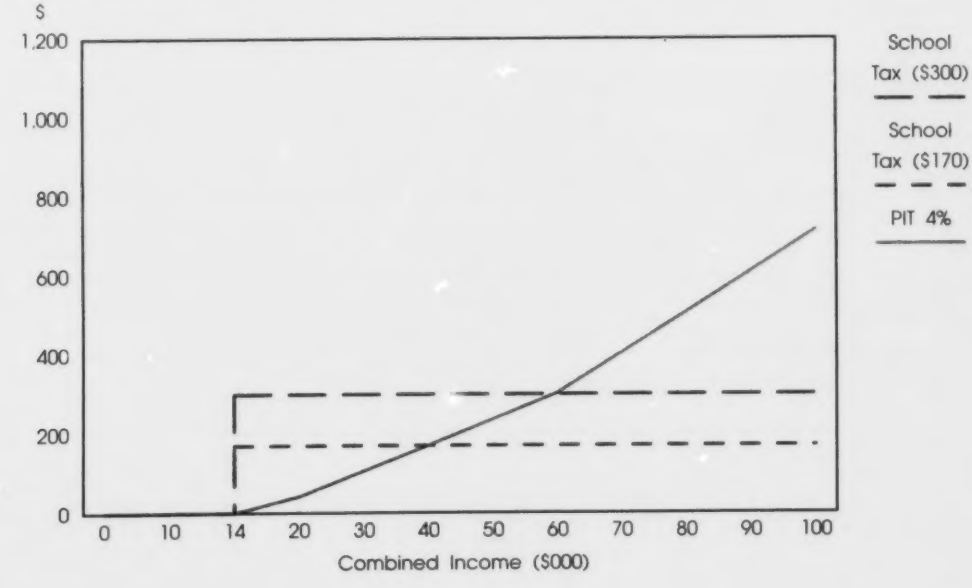



Figure 6

Change in Burden on Married Taxpayers



The other element of the school tax regime is a commercial property tax. Government decided against retaining this tax, because there is a wide disparity in property values between different regions of the Province, making it difficult to distribute the tax burden equitably. Further, Government did not feel taxpayers should have to bear the relatively high administration costs of a commercial property tax system when other more cost-efficient alternatives were available.

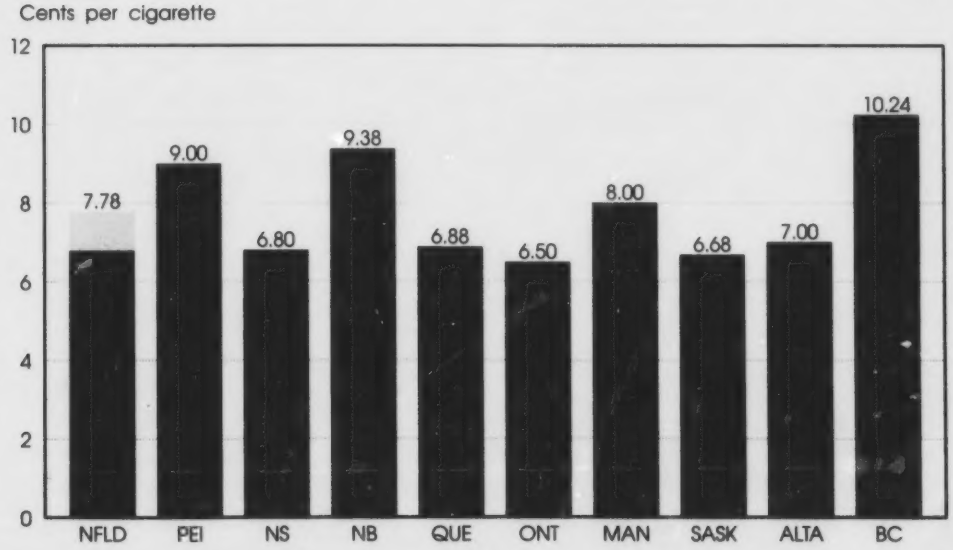
Mr. Speaker, in place of the commercial property tax Government will make adjustments to the payroll tax. This will accomplish our goal without having to implement any new taxes, and without having to make many smaller tax adjustments. Our revenue objective is to generate from the business sector $10 million in 1992-93 and $15 million in 1993-94.

Because the existing school tax has a broad commercial base, the payroll tax base will be broadened by lowering the current tax free amount permitted each employer from $300,000 to $100,000. The general tax rate will increase by one half of one percentage point, from 1.5 percent to 2.0 percent. These changes will apply to government, non-profit organizations and most of the business sector. The fishing, forestry and agriculture industries, currently zero-rated, now will be subject to the tax at a rate of 1.0 percent. While the changes will add 2,200 businesses to the tax roll, over 10,000 businesses with payrolls less than $100,000 will remain exempt from the payroll tax and will have their school tax burden eliminated. The new payroll tax regime will have effect from July 1, 1992 to correspond with the elimination of the school tax.

I am announcing one additional revenue measure required to reduce the projected current account deficit to an acceptable amount. The provincial tax on cigarettes will increase effective midnight tonight by one cent per cigarette, from 6.78 cents to 7.78 cents, with a concurrent increase in fine cut loose tobacco of 0.67 cents per gram. This measure will raise about $7 million during 1992-93. With this increase, our cigarette rate is still lower than four provinces. There are no other measures to raise new revenue contained in this Budget.

Figure 7

Tobacco Tax Rates by Province - March 1992



Mr. Speaker, I am pleased to announce today the continuation of a significant reform, namely the elimination of a number of fees and licences and the consequent reduction in the cost, inconvenience and paper burden imposed by Government on individuals and businesses in this Province. I will highlight some of the changes.

The Department of Education will eliminate both the $5 per course public examination registration fee and the $20 GED testing fee. The $5 fee for a certified copy of public examination marks or GED results also is being dropped.

Commencing with the 1992 season, the $11.25 seasonal vehicle entry permit for provincial parks, as well as the $2.25 daily vehicle entry permit will be eliminated. As well, admission fees to the Salmonier Nature Park will cease to be charged this year. For hunters, the small game licence, which was consolidated last year, will have its cost reduced this year from $15 to $3 to cover only the sales commission paid to retailers.

All fees charged for the inspection of sewage systems, including septic tanks, have been eliminated. The $10 fee for marriage certificates and death certificates will be removed. There will be no charge for an initial birth certificate or for replacement MCP cards. The validation period for a beginner's driving permit will be extended from six months to one year, eliminating the need for a renewal permit and the second $10 charge. The $10 fee to replace defective licence plates is being eliminated.

To benefit the business community, the tourist establishment licence fees, and hunting and fishing camp licence fees will be eliminated. We will remove licence fees for well drillers, pesticide users and fur dealers, as well as certificate fees for waste management systems, and for industrial or processing works. Government no longer will charge private trade schools registration fees or course evaluation fees. No licence fees will be collected from fish buyers and fish processors. The existing nine categories of food establishment licences will be reduced to four and the fees eliminated.

Several changes are being initiated at the Newfoundland Liquor Licensing Board and the Newfoundland Liquor Corporation that will affect licensed establishments. The revenues from the three percent purchase assessment, along with the annual liquor licence fee and waiter's licence fee, are being replaced with simplified levies, one to apply to liquor and wine, and one to beer. As of April 1, licensed establishments will pay only a 12 percent purchase levy on liquor and wine, lowering their purchase price to that of other customers. A levy of 60 cents per dozen will be applied to beer sold to licensed establishments, an increase of 26 cents per dozen over the outgoing purchase assessment. The new levies will recover only the same amount of revenue in total as was generated by those being eliminated.

I am pleased to announce that not only is the annual waiter's licence fee being eliminated, but also the licence itself, saving about 9,000 individuals the annual inconvenience of having to renew the licence and about 1,100 licensed establishments the nuisance of having to display them. This is an excellent example of what Government wants to achieve in reviewing the Province's fees and licences regime.

After March 1993, the only Newfoundland Liquor Licensing Board fees will be for special events licenses and personal identification cards.

Mr. Speaker, throughout Government we have eliminated 171 fees, reduced others, and eliminated a number of permits and licences.

The review of fees and licences will remain an important part of Government's ongoing effort to improve the overall taxation and regulatory climate in the Province. I will be reporting further progress in due course.

Mr. Speaker, last year we eliminated for most businesses the unnecessary requirement to provide Government with monetary security against failure to comply with tax legislation. This year we have taken a further step. Considering the present economic climate and the recent decline in interest rates, effective April 1, the rate of interest on all tax arrears is reduced from 1.5 percent to 1.2 percent per month.

Mr. Speaker, in light of these positive initiatives, I am requesting that municipalities consider reducing any unnecessary fees and charges they might have. It also might be beneficial to business if our financial institutions would consider reductions in or removal of some of their miscellaneous charges. We appreciate the efforts of our financial institutions in providing appropriate lines of credit and other funding in these difficult times, particularly to small businesses. Governments, financial institutions and business must continue to work together to create the best business environment possible in this Province.

Mr. Speaker, not including the effect of the payroll tax changes on the government sector, the revenue measures announced today will yield about $38 million in 1992-93. The net impact on taxpayers, however, will be lowered to $6 million when this amount is reduced by the $32 million they will save from the elimination of the school tax and the reductions in fees and licences.

Figure 8
Change in Tax Burden - Personal Sector
1992-93

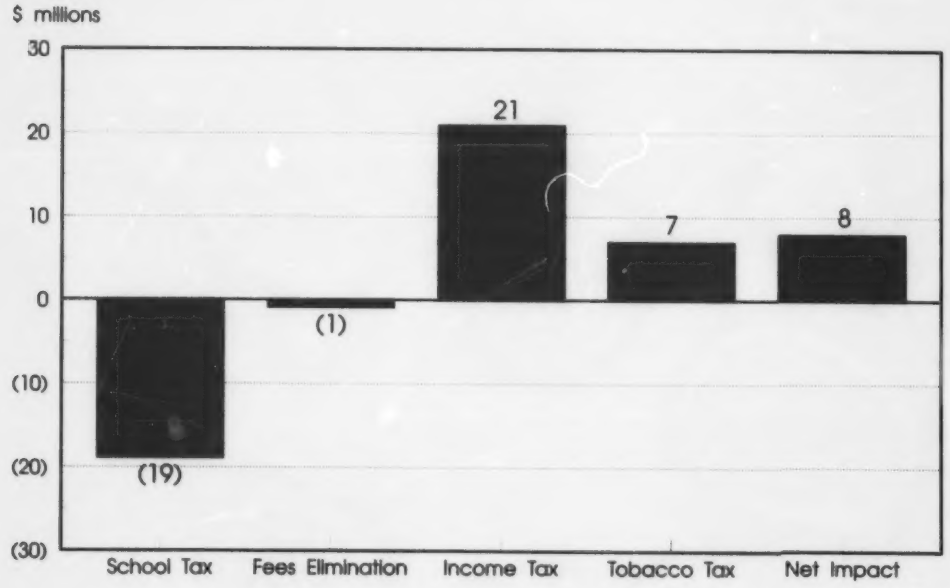
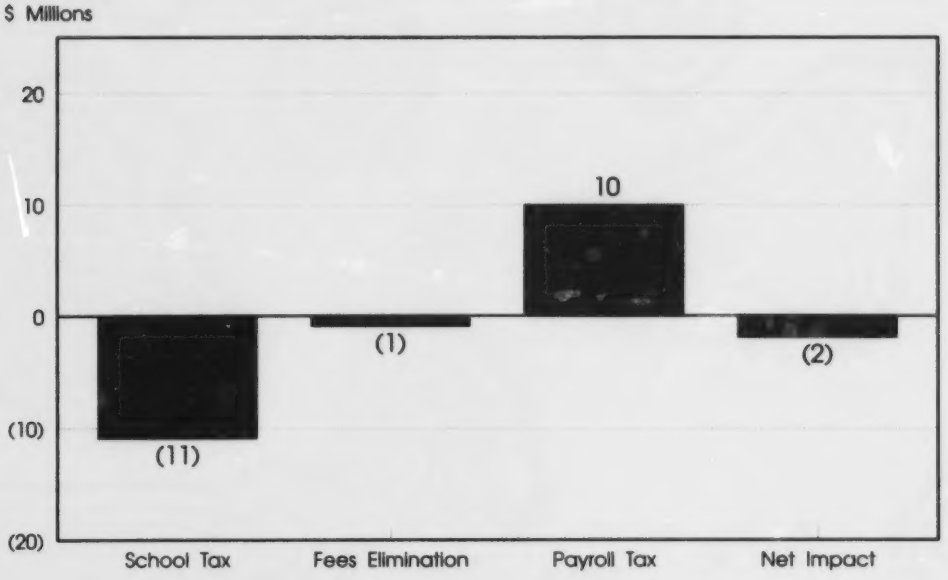
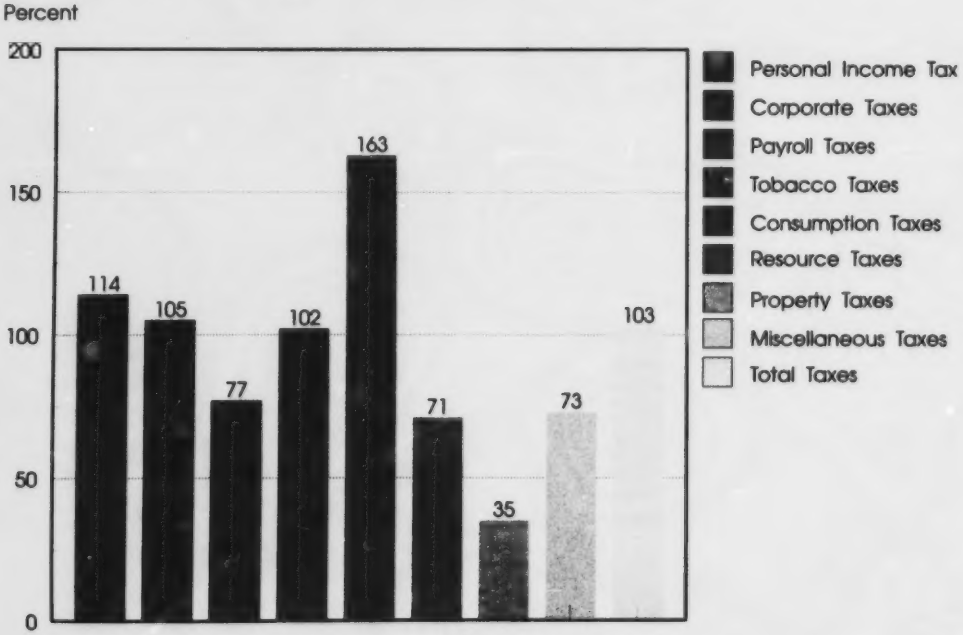


Figure 9
Change in Tax Burden - Business Sector
1992-93




The $6 million net increase in taxes will cause the provincial-local government tax effort in this Province to increase by less than one percentage point to 103 percent of the all-province average. Provincial taxes will remain at about 18 percent of GDP, a figure that has been constant since the early 1980s. Our relatively high consumption and income taxes are balanced by the lowest property tax effort in the country.

Figure 10
Newfoundland Tax Effort as a Percent of
All Province Average



Mr. Speaker, our overall business tax effort remains at only 86 percent of the all-province average. We recognize, however, that businesses in this Province often have to contend with more geographic and other disadvantages than similar operations in other parts of Canada. It is important that the business tax climate in the Province not only be favourable to business, but that it be perceived as favourable. One of the principal objectives of Government's tax reform exercise is to ensure that the business tax climate will promote and complement Government's economic development objectives. Tax reform will continue to be a major initiative. I will be reporting further progress during the coming year.

Another tax reform issue on which progress should be made in 1992-93 is the federal-provincial review of personal income tax flexibility. This review was initiated at the request of the provinces to examine the feasibility of lessening the constraints that the income tax collection agreements place on the provinces' ability to adapt their personal income tax regimes to their priorities.

Mr. Speaker, I am confident that most people will regard the changes to the taxation and education financing systems announced today as equitable and necessary; especially given the grossly unfair nature of the school tax system.

## EXPENDITURE PROGRAM

Mr. Speaker, the expenditure plan for 1992-93 strikes a realistic balance between the people's need for quality public services and Government's ability to provide.

Mr. Speaker, I am announcing today the expenditure guidelines for 1992-93 and for 1993-94, whereby net expenditure growth will be limited to not more than three percent each year, on current and capital account combined. In developing our expenditure program for 1992-93, except for several high priority areas, government departments and agencies were directed to operate with frozen, or in some cases, reduced operating budgets relative to 1991-92 budgeted levels.

For capital expenditures we are limiting construction this year to roads, schools, municipal works, and projects already started. We are providing $3.7 million for planning and designing new buildings, to fit into the long-term capital plan presently being developed.

Mr. Speaker, our total 1992-93 net expenditures, current and capital, will be just under $3.0 billion, an increase over our 1991-92 expenditure of just 2.9 percent.

This increase reduces to 1.5 percent when allowance is made for one-time adjustments. These include the additional $35 million required to replace the school tax and to provide full equalization to school boards, and the $6 million increase in payroll tax paid to government by provincial government departments and agencies.

### Public Sector Salaries

Mr. Speaker, public sector wages, salaries and benefits constitute 65 percent of our total spending on programs and services. Accordingly, if Government is to control its total spending while maintaining essential programs, wage costs must be addressed. In recogni-

tion of this, Government initiated, commencing last fall, a series of consultations with the leaders of our major public service unions to consider jointly ways in which our expenditures, particularly wages and salaries, might be controlled. Unfortunately, that process did not produce recommendations for the spending reductions necessary to meet our fiscal targets.

Government had only two options for reducing the projected wage bill: reducing the number of employees, or reducing compensation. In last year's Budget, it was necessary to take difficult measures and to lay off a substantial number of public employees. The public service has adjusted to those reductions, but further layoffs at this time, in addition to posing hardship for many more individuals, could create program delivery problems in certain sectors. Government felt that this would be inappropriate in today's economic circumstances, and accordingly chose actions that would have minimal employment impact.

Mr. Speaker, new wage restraint legislation will be introduced shortly. The new legislation will cancel all negotiated compensation increases, will provide no compensation increases for 1992-93, and a maximum of three percent total compensation increases for 1993-94. Bill 16 will be rescinded and collective bargaining can occur within these expenditure guidelines when existing contracts expire. An exception to the new legislation will be the necessary corrective action to increase the rates of pay for student assistants. The new policy will apply throughout the provincial public sector, covering all departments, Crown corporations, agencies and boards, impacting all unionized employees, managers, executives, Cabinet Ministers, and Members of the House of Assembly. While this wage policy will not be extended to municipalities in the enabling legislation, in fairness we expect these guidelines to be respected by the municipal component of the government sector.

Mr. Speaker, Government will continue with its commitment to phase in pay equity adjustments over a maximum five-year period as they are determined, but without retroactivity.

Mr. Speaker, it is the policy of Government not to expand the public service. For the next two years, no new positions will be created except where special circumstances warrant. Positions vacant through attrition will be filled only where essential.

**Government Pensions**

Mr. Speaker, in last year's Budget, Government committed to study the impact of indexing its pensions. We have consulted with all major employer and employee groups, as well as those groups representing pensioners, to seek their input on the design of a suitable and affordable indexing program, that would be funded equally by Government and its employees. All groups responded favourably to Government's initial proposal, however, there are concerns with implementing such a program in the current economic and fiscal climate.

The program proposed by Government would require that employees make additional contributions to their pension plans which would be matched by the employer. Mr. Speaker, as a result of the extension to the wage freeze it would be inappropriate at this time to introduce an indexing program that would require further financial commitments by both employees and employers. Therefore, Government will defer the indexing program and give further consideration to implementation in 1993-94. In the meantime, we will continue to

finalize the details of the indexing program through consultation with the interested parties. Hence, there will be no indexing provided in 1992-93 for existing pensioners.

**Economic Development and Resource Initiatives**

Mr. Speaker, Government is continuing to create the right conditions for a stronger, more diversified economy. By implementing a sound development strategy, we can attract new investment, encourage new and diversified business, and compete nationally and internationally through enhanced technological and marketing capabilities. We must balance the strengths of our traditional sectors with the skills, services, products and technology of our emerging industries. To be successful, we must promote aggressively and with confidence ourselves, our products and our services.

Government soon will release its Strategic Economic Plan, which will help point the way to a sound economic future for the Province. Funding of $3.0 million is provided to begin the implementation of the Plan.

Enterprise Newfoundland and Labrador Corporation has just completed its first year of operation under its new structure. The Corporation has been very active throughout 1991-92 in support of small businesses throughout the Province. In 1992-93 Government will be contributing $46.1 million to the Corporation.

Mr. Speaker, Government must continue efforts to expand the scope of our fishing industry. Particular emphasis will be placed upon secondary processing, marketing, aquaculture and the development of underutilized species. Under the Canada-Newfoundland Fishery Development Agreement approximately $6.9 million will be spent in the coming year on current and capital account initiatives.

Approximately $2.3 million will be spent under the Coastal Labrador Development Agreement on fisheries initiatives in Labrador. This will complement the expanded Department of Fisheries presence in Labrador announced last year.

Government, in cooperation with the Government of Canada, recently announced a $39.1 million licence buy-back program for the commercial salmon fishery. The Province's share of this program over the next two years will amount to $11.7 million, of which $7.6 million will be spent this year.

Mr. Speaker, as I stated earlier, this Government has offered the Government of Canada assistance in developing an appropriate economic diversification and adjustment program that would minimize employment and income losses and build a stronger fishery. It may be necessary to seek further spending authority to meet the Province's share of this program. This expenditure likely would be offset by the additional provincial revenues derived from the associated economic activity.

Mr. Speaker, to raise awareness of foreign overfishing and the crucial importance of dealing with the devastation of the fishery resource, funding has been provided for a national and international public relations campaign.

Mr. Speaker, the tourism industry holds much promise for further development. More than two-thirds of our travel and tourism revenues are generated by Newfoundlanders and Labradorians travelling within the Province. To develop this market, funding is provided to expand the marketing program entitled "Ours to Discover".

Under the five-year, $20 million Tourism and Historic Resources Agreement with the Government of Canada, funds will be provided for travel generators and the development of 10 major historic resource sites throughout the Province. Also, funds will be provided under the Atlantic Canada International Marketing Agreement to promote the Atlantic Provinces in Europe, the United States and Japan.

Funding has been provided to establish the 500th Anniversary Corporation to administer, market and promote activities in 1997 surrounding the celebration of John Cabot's landing in the new found land.

During the 1992-93 fiscal year, in the mining industry, Government will spend $2.8 million under the Canada-Newfoundland Cooperation Agreement on Mineral Development to assist in the exploration for and development of new mineral deposits in the Province, and to continue development at existing operations.

The Offshore Development Fund has committed $95 million to the construction of a dry dock and fabrication facility at Bull Arm, some $52 million of which will be spent in the 1992-93 fiscal year. In addition, funding of $11.2 million is provided to complete work on the oil rig facility at Cow Head.

Mr. Speaker, a total of $106 million will be spent in 1992-93 on the further development and improvement of the Province's transportation system. Funding of $25.5 million will be provided under the Provincial Roads Program. Under ERDA agreements with the Government of Canada, and through the Newfoundland Transportation Initiative, a further $61 million will be expended on our road network. During 1992 we will finish paving the Burgeo Road, complete the road to Petit Forte, and continue the work on upgrading to four lanes the Trans-Canada Highway from St. John's to Whitbourne, and from Corner Brook to Deer Lake. The Province is seeking additional funding from the Government of Canada for further cost-shared highway construction.

Many communities in the Province rely on ferry services to link them with the highway network, and Government will continue to upgrade that system. Funding is provided for a new provincial ferry service between South East Bight and Petit Forte. This service will provide eight round trips per week as opposed to the current two. The separate vessel service to Change Islands is extended to six months of the year instead of the current three, and to Little Bay Islands and Long Island for the full year.

Mr. Speaker, this Government is committed to preserving and promoting the richness of our natural environment. Government will provide additional staff to strengthen our ability to carry out environmental assessments, to enforce environmental laws and regulations, to administer air quality programs, and to provide appropriate educational and outreach services.

Under the National Contaminated Sites Remediation Program, cost-shared with the Government of Canada, $4.6 million is provided for the cleanup of contaminated sites at Mackinsons, Come By Chance and Gander.

In response to concerns about the effectiveness and safety of our wildlife protection staff, funding is provided to ensure that additional staff are available during the fall and winter periods when hunting pressures are greatest. Funding also is provided to improve equipment for our wildlife officers.

Funding of $1.0 million is provided under a cost-shared agreement with the Government of Canada to assist farmers in meeting environmental standards.

Mr. Speaker, in light of the current economic difficulties and high rate of unemployment in the Province, funding for employment programs will be increased over that provided in last year's Budget. Government will continue to emphasize the creation of permanent employment and the provision of training and work experience that will result in a stable attachment to the workforce. Funding for the Employment Generation Program and the Graduate Employment Program has been increased, as well as for Job Bridges, a program designed to assist women in obtaining employment in jobs traditionally held by men.

New funding of $135,000 has been approved to facilitate the Province's participation with the federal government in the Industrial Adjustment Service, which establishes committees to find economic alternatives and to access existing programs, for communities and industries facing shutdowns or major layoffs.

The Department of Social Services will be spending $18 million under its employment programs, to enable social assistance recipients to gain valuable work experience.

These programs, like roads, municipal capital works and other capital projects, will spread additional employment generating activity throughout the Province.

**Social Program Initiatives**

Mr. Speaker, Government allocates 29 percent of its total program spending to providing health services to the people of the Province. In 1992-93, $860.6 million is budgeted on current account, an increase of $22.7 million over 1991-92.

In last year's Budget, a number of changes in health services were announced, including modifications to the roles of several health facilities. Many of these changes have been implemented, others are in progress. Funding is provided to open all 27 beds at the redeveloped Baie Verte Peninsula Health Centre, providing more chronic care, in addition to its primary and acute care roles. Funding is provided also to open the newly developed 15 bed Special Care Unit for alzheimer patients in Bonavista.

In light of changing demographics, Government is taking other steps designed to meet the needs of people requiring continuing care, either in institutions or in their homes. Funding is provided to open by the fall of 1992 the remaining 16 beds at the Dr. Hugh Twomey Centre in Botwood and the 28 beds at the Agnes Pratt Home in St. John's. Work will proceed on multi-purpose health centres for Burgeo and Port Saunders and on a new

nursing home and medical clinic at St. Lawrence, at a total capital cost of $24.0 million, financed through lease-purchase arrangements.

To strengthen community health services, Government will establish Regional Community Health Boards to coordinate the organization, management and delivery of community based services. Government will consider implementing a single point of entry system for better coordination of the assessment and placement of people in nursing homes and other programs.

As another step, Government will integrate into the newly established Regional Community Health Board system the programs and services offered by the Alcohol and Drug Dependency Commission. These services are complementary to many of the services to be offered by the new boards, and Government believes that they can be delivered more effectively through this structure. This decision will result in operational efficiencies, but will maintain the same high level of client services provided by the Alcohol and Drug Dependency Commission.

Mr. Speaker, to help recruit and retain nurses for Coastal Labrador, and to provide residents of that area with better access to nursing education programs, funding is provided for a Nursing Access Program.

The financial position of the Province dictates that we continue to control expenditures for general health care programs.

Accordingly, there will be significant changes in the services insured under the Children's Dental Program. The elective removal of impacted wisdom teeth will no longer be covered under MCP. The capping of the medicare fund will continue in 1992-93, with a small adjustment for increased utilization. There will be no provision for fee increases to physicians.

Mr. Speaker, in reviewing health care programs and expenditures, we have taken all reasonable measures to support and enhance the maintenance of a system of quality primary health care services at the community level, more specialized services at the regional level, and highly specialized services at the provincial level. That approach, combined with an integrated approach to community health services, is important to ensure that the health care needs of the present and the future are adequately provided for.

As another major step designed to improve health care for the people of the Province and at the same time to address the significant budgetary problem associated with the organization of the health care system, I am pleased, Mr. Speaker, to announce that during the coming year Government will be exploring ways to reduce substantially the number of hospital boards, from 25 to five.

Mr. Speaker, in an effort to reduce workplace accidents and injuries, funding has been provided for additional staff and resources in the Department of Employment and Labour Relations. This will enable the Department to adopt a more proactive approach, and thereby increase the number of workplace inspections, develop new occupational health and safety programs in the workplace, and continue to target specific injury prevention programs, such as those directed at back injuries in the health care sector.

Mr. Speaker, Government is committed to the creation of a stronger post-secondary education delivery system. Accordingly, we have taken steps to reorganize the post-secondary system into five Regional Colleges of Applied Arts, Technology and Continuing Education, and to affiliate the Fisheries and Marine Institute with Memorial University of Newfoundland.

To enhance the ability of the Province to provide educational and applied research opportunities, and to position Newfoundlanders to compete in global technology opportunities, funding of $5 million has been provided towards the construction of the Centre for Engineering Technology in St. John's.

Mr. Speaker, in replacing the school tax, Government has provided for full equalization of school board revenues. No board will receive less funding in 1992-93, and total funding will be $8.8 million greater than if the school tax had been retained. This additional funding will be distributed in accordance with a new grant system currently being developed by the Department of Education.

Mr. Speaker, $20 million will be provided in 1992-93 to build new primary, elementary and secondary schools and to make major renovations. For 1993-94 and beyond, capital funding needs will be assessed when Government has received the report of the Royal Commission on Education, and the long term capital plan currently being developed.

During 1991, Government supported the Newfoundland and Labrador Milk Marketing Board and the dairy industry in introducing a School Milk Program. Response to the program has exceeded expectations, with 70 percent of the schools in the Province now participating. Funding of $150,000 has been provided for this program in 1992-93.

Additional funding of $150,000, over and above last year's funding of $350,000, has been assigned to the Literacy Program for pilot projects and an additional $155,000 to distance education.

Mr. Speaker, this Government is committed to the development and maintenance of a quality service system for those young people who find themselves in difficulty with the law.

Funding has been provided to complete and open the Newfoundland and Labrador Youth Centre at Whitbourne this summer. This modern facility will enable the Department of Social Services to consolidate its secure custody services and to phase out the existing Youth Centres at St. John's and Whitbourne. This Budget allocates funding for counselling, treatment, and intervention programs for youth at the Centre.

To enhance the delivery of services by front-line social workers to social service clients, funding of nearly $2 million is provided for the ongoing development of a comprehensive computer system. When this is complete there will be a fully-integrated information system linking all regional and district offices.

Mr. Speaker, I am pleased to announce that effective April 1, 1992, basic social assistance rates will be increased by 2.2 percent.

Based upon the success last year of a Victim Services Pilot Program and the federal government's withdrawal of cost-shared funding for criminal injuries compensation, Government has decided to develop a permanent Victim Services Program, providing practical support and assistance to victims of crime from the time of their initial contact with the justice system. The services presently provided by the Criminal Injuries Compensation Board will be phased out. The Board will retain funding for compensation awards based upon applications already received, but no new applications will be accepted after today.

The Law Reform Commission, which had been established to inquire into and consider any matter relating to reform of provincial law, and, in particular, statute law, will no longer be funded by Government. In order to meet our needs in this area, Government will dedicate a staff person to address emerging reform issues, and will encourage input from the Law Society and the Newfoundland Branch of the Canadian Bar Association.

## CONCLUSION

Mr. Speaker, the provincial and national economies are going through a difficult period of uncertainty and adjustment. The problems facing our fishing industry and the announced rescheduling of the Hibernia project have diminished prospects for economic recovery this year.

Government's ability to counter these circumstances is challenged by the realities of declining federal transfers, our high levels of debt, our tax burden, and the need to adapt to a changing world where governments will become less intrusive, and people and industry will become more efficient and competitive. Our response is consistent with our means. Addressing our current economic difficulties by significantly increasing spending clearly would have been inappropriate.

Instead, we have chosen to continue seeking and implementing lasting solutions that build upon our existing strengths, and diversify our economic base. We have chosen also to continue progress towards restoring the fiscal flexibility of the Province. That has been the policy of this Administration since we were elected. This Budget continues on that course.

In this Budget, we have reduced both our current account and total budgetary deficits despite continued recessionary conditions. We have maintained or improved all of the basic programs and services that Government provides, and enhanced our commitment to economic development and social priorities.

In this Budget also, we have continued to make the tax system fairer and more efficient, and we have taken steps to reduce the regulatory burden on businesses and individuals.

Mr. Speaker, with this Budget, Government has presented a realistic, responsible fiscal plan for the coming year, a plan that responds to our current economic circumstances and advances our economic prospects, without compromising our financial integrity.

## APPENDIX A

## SUPPLEMENTARY EXPENDITURE DETAILS

The following reflects the major decisions contained in the 1992-93 Budget:

### GENERAL

- The budget for operating expenses such as travel, supplies and furniture, for most departments and government-funded agencies has been frozen or reduced below 1991-92 budgeted levels.
- Legislation will be introduced which will provide no wage compensation increases for 1992-93 and a maximum of three percent for 1993-94, while allowing collective bargaining to resume at the time collective agreements expire.
- Pension indexing will be deferred with further consideration for implementation in 1993-94.
- Pay equity will continue to be implemented over a maximum five-year period but with no retroactivity.
- No new positions will be created for the next two years except where special circumstances warrant. Positions vacant through attrition will be filled only where essential.

### EXECUTIVE COUNCIL

- Funding of $3 million has been provided for economic planning initiatives.

### FINANCE

- No funding has been provided for the Newfoundland Stock Savings Plan and Venture Capital Tax Credit Program.

### PUBLIC SERVICE COMMISSION

- Funding has been provided for the third phase of the Opening Doors Program.

### WORKS, SERVICES AND TRANSPORTATION

- Separate services have been reinstated for the Long Island-Pilley's Island and Long Island-Little Bay Island ferry services. The separate service for Change Islands will be extended from three months to six months.
- Funding has been provided for the Petit Forte-South East Bight ferry service.
- Additional funding has been provided for winter trail grooming in Labrador.
- Seasonal weigh scale operators are being reinstated to full-time status.
- The Provincial Roads Program will be funded at $25.5 million, the same level as in 1991-92.

## DEVELOPMENT

- Funding has been provided to begin planning for the 500th anniversary celebrations of John Cabot's landing.
- Funding for Enterprise Newfoundland and Labrador Corporation and the Economic Recovery Commission has grown in response to increased emphasis on economic development.
- Funding for the Newfoundland and Labrador Science and Technology Council has been reduced.

## ENVIRONMENT AND LANDS

- Funding of $4.6 million has been provided for the cleanup of contaminated sites at Mackinsons, Come By Chance and Gander.
- Funding of $730,000 has been provided to address wildlife protection and environmental management and protection matters.
- Funding has been provided to undertake a review of provincial parks.
- Funding of $60,000 has been provided for a Hazardous Waste Program.

## FISHERIES

- Funding of $7.6 million has been provided for the Atlantic Salmon Management Program.
- Funding of $300,000 has been provided for the Province's campaign against foreign overfishing.
- Capital funding for the Fisheries Loan Board has been retained at 1991-92 budgeted levels. However, Bank Loan clients of the Fisheries Loan Board wishing to refinance existing loans will have to do so at the interest rate applicable at the time that the loan was originally approved.

## FORESTRY AND AGRICULTURE

- Funding of $150,000 has been provided for the School Milk Program.

## MINES AND ENERGY

- Funding of $150,000 has been provided for the maintenance of the St. Lawrence Fluorspar Mine.

## EDUCATION

- Funding of $35 million has been provided for the replacement of school tax and enhanced equalization, with the per pupil grants frozen at the 1991-92 level.
- Teaching positions will be reduced by 100 due to declining enrolments.
- School transportation funding will be reduced by $500,000.
- School supplies funding has been frozen at the 1991-92 budgeted level.
- Additional funding of $150,000 has been provided for the Literacy Program.

- Inflationary increases on operating accounts have been provided for Memorial University of Newfoundland while salaries have been frozen.
- Hibernia training funding of $1.1 million has been provided of which $600,000 is allocated to the Department of Employment and Labour Relations and $500,000 to the Department of Education.
- Operating grants to colleges and institutes have been reduced due to restructuring and reorganization.
- Additional funding of $155,000 has been provided for distance education.
- The School Construction Program has been reduced from the previous three-year commitment of $27 million, to $20 million annually.

**EMPLOYMENT AND LABOUR RELATIONS**

- Funding for employment programs amounts to $6.2 million.
- Increased funding of $575,000 has been provided for occupational health and safety.

**HEALTH**

- Funding for surgical procedures at the Port aux Basques hospital has been reinstated.
- Provision has been made for 86 long term care bed openings at Western Memorial Hospital, Golden Heights Manor, Agnes Pratt Home, the Baie Verte Peninsula Health Centre and Dr. Hugh Twomey Centre.
- Funding has been provided to establish Regional Community Health Boards to coordinate the organization, management and delivery of vital community based services.
- Inflationary increases have been approved for night security and boarding lodge rates.
- A Native Nursing Access Program has been approved to increase the participation of native residents in nursing training.
- Funding has been provided to cover the cost of a new meningitis vaccine.
- Provision has been made to cover MRI operating costs at the Health Sciences Centre.
- In 1992-93, only basic services will be funded under the Childrens Dental Program, to be finalized in conjunction with the Newfoundland Dental Association.
- The elective removal of impacted wisdom teeth will no longer be insured under MCP.
- All patients will be required to pay the first $500 of their travel cost as well as 50 percent of the cost thereafter effective April 1, 1992.
- The Alcohol and Drug Dependency Commission will be integrated with the Regional Community Health Boards.
- Salaries for fee-for-service and salaried physicians will be frozen. Utilization increases up to 2.9 percent will be funded.

## JUSTICE

- Funding for the Newfoundland Law Reform Commission will be discontinued.
- The Law Foundation will be required to contribute an additional one-third of its interest income to the Legal Aid Commission.
- Applications to the Criminal Injuries Compensation Board will no longer be accepted after Budget Day.
- The Supreme Court at Brigus will be converted to a circuit court.
- The number of sitting members on the Residential Tenancies Board will be reduced to four.
- Funding has been provided for additional staff for the Support Orders Enforcement Agency.
- Funding has been provided for a Police Complaints Commission.
- Funding for police recruits at the Holland College will be suspended for a second year.

## MUNICIPAL AND PROVINCIAL AFFAIRS

- Funding for the Youth Intra-Provincial Travel Program has been reduced in 1992-93.
- Funding for the Newfoundland Heritage Foundation has been reduced in 1992-93.

## SOCIAL SERVICES

- A 2.2 percent increase has been provided in basic social assistance rates, effective April 1, 1992.
- Funding for community development projects has been budgeted at $9.5 million.
- Funding of $300,000 has been provided for training initiatives in child welfare.
- Funding for the Vocational Services Pilot Project in 1992-93 will be limited to carryover commitments.
- Additional funding has been provided to open the new Whitbourne Youth Centre.
- Funding for Home Support Services has been frozen at the 1991-92 budgeted level of $13.1 million.

**Appendix B**

## SUPPLEMENTARY REVENUE DETAILS

## FEES AND LICENCES

Government announced in the 1990 Budget that a major review of fees and licences administered by the Province would be undertaken with a view of improving efficiency and equity, while eliminating unnecessary annoyance levies. Several changes in four departments, identified in the 1991 Budget, were implemented during the 1991-92 fiscal year. An additional 171 measures are detailed in Schedule B-1, and will be implemented during the 1992-93 fiscal year.

The fees and licences initiatives announced in this Budget pertain to a wide scope of government activities. These changes will result in a savings to taxpayers during 1992-93 of about $2 million, with benefits split fairly evenly between individuals and businesses. This review of the fees and licences system is ongoing, and will remain an important part of Government's effort to improve the overall taxation and regulatory climate in this Province.

## Schedule B-1

## FEES AND LICENCES INITIATIVES

| | Current Fee | Revised Fee | Licence Removal | Effective Date | Comments |
|---|---|---|---|---|---|
| **DEVELOPMENT** | | | | | |
| 1. Tourist establishment licence | | | No | Jan. 1/93 | |
| (a) 9 rooms or less | 20.00 | 0.00 | | | |
| (b) 10 to 19 rooms | 40.00 | 0.00 | | | |
| (c) 20 to 39 rooms | 60.00 | 0.00 | | | |
| (d) 40 to 79 rooms | 80.00 | 0.00 | | | |
| (e) 80 rooms or more | 100.00 | 0.00 | | | |
| 2. Travel trailer establishment licence | | | No | Jan. 1/93 | |
| (a) 15 sites or less | 10.00 | 0.00 | | | |
| (b) 16 to 30 sites | 15.00 | 0.00 | | | |
| (c) 31 to 45 sites | 20.00 | 0.00 | | | |
| (d) 46 to 80 sites | 25.00 | 0.00 | | | |
| (e) 81 sites or more | 35.00 | 0.00 | | | |
| 3. Hunting and fishing camp licence | 20.00 | 0.00 | No | Jan. 1/93 | |
| **EDUCATION** | | | | | |
| **High School Certification** | | | | | |
| 1. Public exam registration fee (per course) | 5.00 | 0.00 | N/A | Sep. 1/92 | The total fee amount per student for the public exam process normally is $50. |
| 2. Certified copy of marks | 5.00 | 0.00 | N/A | Sep. 1/92 | |
| 3. GED testing fee | 20.00 | 0.00 | N/A | Sep. 1/92 | To certify high school equivalency for adult non-high school graduates. |
| 4. GED test results | 5.00 | 0.00 | N/A | Sep. 1/92 | |
| **Private Training Institutions** | | | | | |
| 5. Registration fee for private trade school | 100.00 | 0.00 | N/A | Sep. 1/92 | First course |

| | Current Fee | Revised Fee | Licence Removal | Effective Date | Comments |
|---|---|---|---|---|---|
| **EDUCATION (cont'd)** | | | | | |
| 6. Registration fee for private trade school | 50.00 | 0.00 | N/A | Sep. 1/92 | Each additional course |
| 7. Evaluation of a course of instruction | 50.00 | 0.00 | N/A | Sep. 1/92 | |
| **Industrial Training** | | | | | |
| 8. Examination fee for certificate of qualification | 12.00 | 0.00 | No | Apr. 1/92 | |
| 9. Certificate of qualification renewal fee | 8.00 | 0.00 | N/A | Apr. 1/92 | |
| 10. Penalties for late renewals of certificates | 15.00 | 0.00 | N/A | Apr. 1/92 | |
| 11. Replacement certificates | 5.00 | 0.00 | No | Apr. 1/92 | |
| 12. Examination fee for interprovincial status of non-apprentices | 12.00 | 0.00 | N/A | Apr. 1/92 | |
| **EMPLOYMENT AND LABOUR RELATIONS** | | | | | |
| 1. Fee for stamping extra copies of design drawings | 15.00 | 0.00 | N/A | Mar. 27/92 | |
| 2. Fee for manufacturer's request to expedite a survey | Various | 0.00 | N/A | Mar. 27/92 | This cost recovery charge never has been levied. |
| 3. Fee for sample exam papers | | | N/A | Mar. 27/92 | Copies of previous exams. |
| (a) first class | 8.00 | 0.00 | | | |
| (b) second class | 6.00 | 0.00 | | | |
| (c) third class | 4.00 | 0.00 | | | |
| (d) fourth class | 2.00 | 0.00 | | | |
| 4. Fee for the periodic inspection of amusement rides | 13.00 | 0.00 | N/A | Mar. 27/92 | |
| **ENVIRONMENT AND LANDS** | | | | | |
| **Environment** | | | | | |
| 1. Well driller's licence | 25.00 | 0.00 | No | Mar. 27/92 | |
| 2. Pesticide vendor's licence | 25.00 | 0.00 | No | Mar. 27/92 | Sellers of pesticides. |
| 3. Pesticide applicator's licence | 30.00 | 0.00 | No | Mar. 27/92 | Person who applies the pesticides. |

| | Current Fee | Revised Fee | Licence Removal | Effective Date | Comments |
|---|---|---|---|---|---|
| **ENVIRONMENT AND LANDS (Cont'd)** | | | | | |
| 4. Pesticide operator's licence | 50.00 | 0.00 | No | Mar. 27/92 | Company or business that applies pesticides. |
| 5. Permit to establish or alter the boundaries of a waste management and disposal system | | | No | Mar. 27/92 | |
| (a) council with a population less than 5,000 | 50.00 | 0.00 | | | |
| (b) council with a population greater than or equal to 5,000 | 100.00 | 0.00 | | | |
| (c) an individual or business with an industrial waste system | 100.00 | 0.00 | | | |
| (d) an individual or business with a commercial waste management system | 50.00 | 0.00 | | | |
| (e) an individual or business renewing a waste management certificate | 25.00 | 0.00 | | | |
| 6. Certificate for the storage and handling of gasoline and associated products | | | No | Mar. 27/92 | |
| (a) service stations | 50.00 | 0.00 | | | |
| (b) bulk plants | 100.00 | 0.00 | | | |
| (c) bulk pipelines | 100.00 | 0.00 | | | |
| (d) replacement of (a), (b) or (c) | 25.00 | 0.00 | | | |
| 7. Certificate for any sewage collection or disposal system with a capacity equal to or greater than 4,500 litres per day | | | No | Mar. 27/92 | |
| (a) municipal authority with a population less than 100 | 50.00 | 0.00 | | | |
| (b) municipal authority with a population greater than or equal to 100 but less than 1,000 | 75.00 | 0.00 | | | |
| (c) municipal authority with a population greater than or equal to 1,000 but less than 5,000 | 150.00 | 0.00 | | | |

| | Current Fee | Revised Fee | Licence Removal | Effective Date | Comments |
|---|---|---|---|---|---|
| **ENVIRONMENT AND LANDS (Cont'd)** | | | | | |
| (d) municipal authority with a population greater than or equal to 5,000 | 250.00 | 0.00 | | | |
| (e) an individual or business | 50.00 | 0.00 | | | |
| 8. Certificate for any water system | | | No | Mar. 27/92 | |
| (a) municipal authority with a population less than 100 | 50.00 | 0.00 | | | |
| (b) municipal authority with a population greater than or equal to 100 but less than 1,000 | 75.00 | 0.00 | | | |
| (c) municipal authority with a population greater than or equal to 1,000 but less than 5,000 | 150.00 | 0.00 | | | |
| (d) municipal authority with a population greater than or equal to 5,000 | 250.00 | 0.00 | | | |
| 9. Certificate for any industrial or processing works | | | No | Mar. 27/92 | |
| (a) asphalt plants | 50.00 | 0.00 | | | |
| (b) other industrial or processing works a capital cost of | | | | | |
| (i) less than $2,000,000 | 100.00 | 0.00 | | | |
| (ii) greater than or equal to $2,000,000 but less than $5,000,000 | 200.00 | 0.00 | | | |
| (iii) greater than or equal to $5,000,000 but less than $15,000,000 | 400.00 | 0.00 | | | |
| (iv) greater than or equal to $15,000,000 but less than $25,000,000 | 600.00 | 0.00 | | | |
| (v) greater than or equal to $25,000,000 but less than $50,000,000 | 800.00 | 0.00 | | | |
| (vi) greater than or equal to $50,000,000 | 1,000.00 | 0.00 | | | |
| 10. Permit for stream crossings, and bridge or culvert installations or other alterations to any body of water | | | No | Mar. 27/92 | |

| | Current Fee | Revised Fee | Licence Removal | Effective Date | Comments |
|---|---|---|---|---|---|
| **ENVIRONMENT AND LANDS (Cont'd)** | | | | | |
| (a) a bridge less than 30 meters | 100.00 | 0.00 | | | |
| (b) a bridge greater than or equal to 30 meters | 1,000.00 | 0.00 | | | |
| (c) a culvert less than 1,400 meters | 25.00 | 0.00 | | | |
| (d) a culvert greater than or equal to 1,400 meters | 75.00 | 0.00 | | | |
| (e) a hydro-electric power project control dam | 1,000.00 | 0.00 | | | |
| (f) all other control dams | 100.00 | 0.00 | | | |
| (g) a river diversion, a drainage diversion, or an alteration of a body of water or of water flow within | 100.00 | 0.00 | | | |
| (h) storm drainage work | 100.00 | 0.00 | | | |
| (i) a pipe crossing | 25.00 | 0.00 | | | |
| (j) fording per site, per year | 25.00 | 0.00 | | | |
| (k) all other approvals | 25.00 | 0.00 | | | |
| **Crown Lands** | | | | | |
| 1. Grants for churches/non-profit organizations | 1.00 | 0.00 | N/A | Mar. 27/92 | |
| 2. Sawmill permit | 1.00 | 0.00 | Yes | Mar. 27/92 | |
| 3. Renewal of permit fee | 1.00 | 0.00 | No | Mar. 27/92 | |
| **Wildlife** | | | | | |
| 1. Small game licence | 15.00 | 3.00 | No | Aug. 1/92 | Vendor to retain the $3 fee as a commission. The junior licence remains free-of-charge. |
| 2. Trout (non-resident/individual) | 20.00 | 0.00 | Yes | Mar. 27/92 | |
| 3. Trout (non-resident/family) | 30.00 | 0.00 | Yes | Mar. 27/92 | |
| 4. Fur dealers store (resident) | 10.00 | 0.00 | No | Mar. 27/92 | The fur and meat licencing system will be streamlined during 1992-93. |
| 5. Fur dealers store (non-resident) | 100.00 | 0.00 | No | Mar. 27/92 | |
| 6. Travelling fur dealers (resident) | 10.00 | 0.00 | No | Mar. 27/92 | |
| 7. Travelling fur dealers (non-resident) | 50.00 | 0.00 | No | Mar. 27/92 | |

| | Current Fee | Revised Fee | Licence Removal | Effective Date | Comments |
|---|---|---|---|---|---|
| **ENVIRONMENT AND LANDS (cont'd)** | | | | | |
| 8. Fur dealers export licence (resident) | 100.00 | 0.00 | No | Mar. 27/92 | |
| 9. Fur dealers export licence (non-resident) | 200.00 | 0.00 | No | Mar. 27/92 | |
| 10. Fur trappers export licence | 10.00 | 0.00 | No | Mar. 27/92 | |
| 11. Skin export licence | 5.00 | 0.00 | No | Mar. 27/92 | |
| 12. Skin dealer licence | 5.00 | 0.00 | No | Mar. 27/92 | |
| 13. Fur farm export licence | 100.00 | 0.00 | No | Mar. 27/92 | Responsibility for licences 13 and 14 have been moved to the to the Department of Forestry and Agriculture. |
| 14. Fur farm licence | 50.00 | 0.00 | No | Mar. 27/92 | |
| 15. Live fur bearing animal export licence | 50.00 | 0.00 | No | Mar. 27/92 | |
| 16. Restricted game sold by restaurants | 50.00 | 0.00 | No | Mar. 27/92 | |
| 17. Taxidermy licence | 10.00 | 0.00 | No | Mar. 27/92 | |
| 18. Guides registration certificate | 1.00 | 0.00 | No | Mar. 27/92 | |
| 19. Guides licence fee | 5.00 | 0.00 | No | Mar. 27/92 | |
| 20. Wholesale caribou meat licence | 50.00 | 0.00 | No | Mar. 27/92 | |
| 21. Retail caribou meat licence | 50.00 | 0.00 | No | Mar. 27/92 | |
| 22. Non-resident caribou meat licence | 115.00 | 0.00 | No | Mar. 27/92 | |
| 23. Salmonier Nature Park admittance (adult) | 0.50 | 0.00 | N/A | Mar. 27/92 | |
| 24. Salmonier Nature Park admittance (children) | 0.25 | 0.00 | N/A | Mar. 27/92 | |
| **Provincial Parks** | | | | | |
| 1. Seasonal vehicle entry permit | 11.25 | 0.00 | Yes | Mar. 27/92 | |
| 2. Daily vehicle entry permit | 2.25 | 0.00 | Yes | Mar. 27/92 | |
| 3. Trailer storage fee | 1.25 | 0.00 | No | Mar. 27/92 | |
| **FINANCE** | | | | | |
| **Taxation** | | | | | |
| 1. Gasoline wholesaler's licence | | | No | Jan. 1/93 | |
| (a) sales not greater than 2,275,000 litres per year | 500.00 | 0.00 | | | |

| | Current Fee | Revised Fee | Licence Removal | Effective Date | Comments |
|---|---|---|---|---|---|
| **FINANCE (Cont'd)** | | | | | |
| (b) sales not greater than 4,550,000 litres per year | 1,000.00 | 0.00 | | | |
| (c) sales not greater than 11,375,000 litres per year | 2,500.00 | 0.00 | | | |
| (d) sales not greater than 22,750,000 litres per year | 5,000.00 | 0.00 | | | |
| (e) sales not greater than 34,125,000 litres per year | 7,500.00 | 0.00 | | | |
| (f) sales not greater than 45,500,000 litres per year | 10,000.00 | 0.00 | | | |
| (g) In excess of 45,500,000 litres per year | 15,000.00 | 0.00 | | | |
| 2. Pari mutuel licence | 25.00 | 0.00 | No | Mar. 27/92 | Pertains to horse racing establishment(s). This licence has been changed from an annual licence to a one time licence. |
| **Liquor Licencing** | | | | | |
| 1. Catering licence | 100.00 | 0.00 | No | Apr. 1/93 | Licences 1 to 7 have been changed from annual licences to one tine licences |
| 2. Transportation services licence | 1,000.00 | 0.00 | No | Apr. 1/93 | |
| 3. Brewer's retail licence | 200.00 | 0.00 | No | Apr. 1/93 | |
| 4. Brewer's distribution licence | 200.00 | 0.00 | No | Apr. 1/93 | |
| 5. Brewer's agent licence | 100.00 | 0.00 | No | Apr. 1/93 | |
| 6. Bonded warehouse licence | 200.00 | 0.00 | No | Apr. 1/93 | |
| 7. Annual liquor establishment licence | 200.00 | 0.00 | No | Apr.1/93 | |
| 8. Transfer of existing licence | 100.00 | 0.00 | No | Apr. 1/93 | |
| 9. Waiter's licence | 15.00 | 0.00 | Yes | Apr. 1/93 | |
| 10. Inspection fee | 50.00 | 0.00 | N/A | Apr. 1/92 | |
| 11. Purchase assessment fee | 50.00 | 0.00 | N/A | Apr. 1/92 | |

| | Current Fee | Revised Fee | Licence Removal | Effective Date | Comments |
|---|---|---|---|---|---|
| **FISHERIES** | | | | | |
| 1. Processing of shellfish species licence | 200.00 | 0.00 | No | Jan. 1/93 | |
| 2. Processing of other than shellfish species licence | 200.00 | 0.00 | No | Jan. 1/93 | |
| 3. Secondary processing licence | 200.00 | 0.00 | No | Jan. 1/93 | |
| 4. Processing licence for trawler plant | 500.00 | 0.00 | No | Jan. 1/93 | |
| 5. Fish buyer licence (other than shellfish) | 25.00 | 0.00 | No | Jan. 1/93 | |
| 6. Shell fish buyer licence | 25.00 | 0.00 | No | Jan. 1/93 | |
| **FORESTRY AND AGRICULTURE** | | | | | |
| 1. Wood cutting permit (export only) | 100.00 | 0.00 | No | Apr. 1/92 | |
| **HEALTH** | | | | | |
| 1. Birth certificate | 10.00 | 0.00 | No | Mar. 27/92 | For newborns only, the $10 fee remains in place for replacement birth certificates. |
| 2. Marriage certificate | 10.00 | 0.00 | No | Mar. 27/92 | Issued by the Department of Health. The marriage licence fee will be maintained. |
| 3. Death certificate | 10.00 | 0.00 | No | Mar. 27/92 | |
| 4. Change of name | 5.00 | 0.00 | N/A | Mar. 27/92 | |
| 5. MCP cards | 5.00 | 0.00 | No | Mar. 27/92 | |
| 6. Minor food store operator's licence | 24.00 | 0.00 | No | Apr. 1/93 | The nine categories of food |
| 7. Major food store operator's licence | 60.00 | 0.00 | No | Apr. 1/93 | licences have been reduced to four |
| 8. Minor food service operator's licence | 36.00 | 0.00 | No | Apr. 1/93 | categories which are (1) food |
| 9. Major food service operator's licence | 90.00 | 0.00 | No | Apr. 1/93 | retailing, (2) food preparation, (3) |
| 10. Complex food service operator's licence | 120.00 | 0.00 | No | Apr. 1/93 | food manufacture and (4) food |
| 11. Food production licence | 48.00 | 0.00 | No | Apr. 1/93 | production. |
| 12. Food processing licence | 180.00 | 0.00 | No | Apr. 1/93 | |
| 13. Minor food manufacturing licence | 300.00 | 0.00 | No | Apr. 1/93 | |
| 14. Major food manufacturing licence | 420.00 | 0.00 | No | Apr. 1/93 | |

| | Current Fee | Revised Fee | Licence Removal | Effective Date | Comments |
|---|---|---|---|---|---|
| **HEALTH (Cont'd)** | | | | | |
| 15. Swimming pools inspection | 10.00 | 0.00 | N/A | Apr. 1/93 | |
| 16. Unserviced land assessment | 50.00 | 0.00 | No | Apr. 1/93 | Inspection of septic tanks with a capacity of less than 4,500 litres per day. |
| **MINES AND ENERGY** | | | | | |
| 1. Recording of application for reserved area licence | 50.00 | 0.00 | N/A | Mar. 27/92 | The Labrador Reserved Area licence will be discontinued. |
| 2. Registration of transfer assignment | 10.00 | 0.00 | N/A | Mar. 27/92 | |
| 3. Inspection of registers fee | 2.00 | 0.00 | N/A | Mar. 27/92 | |
| 4. Royality for beach material (per cubic metre) | 0.50 | 0.30 | N/A | Mar. 27/92 | Royality rate will be the same as for other quarry materials. |
| 5. Claim block tags | 3.00 | 0.00 | N/A | Mar. 27/92 | Set of four tags |
| 6. Copy of documents fee - $1 per page | 1.00 | 0.00 | N/A | Mar. 27/92 | Cost per page |
| 7. Certificate of compliance | 10.00 | 0.00 | N/A | Mar. 27/92 | |
| 8. Postage and handling for maps | 2.00 | 0.00 | N/A | Mar. 27/92 | |
| 9. Additional postage for map tubes | 2.00 | 0.00 | N/A | Mar. 27/92 | |
| 10. Annual rental for extended licence -per hectare | 3.00 | Various | N/A | Mar. 27/92 | This fee will be replaced with a renewal fee for extended licence to be paid once at the beginning of the five year extended terms of the licence. Renewal fees will be set at $25, $50 and $100 per claim for the 1st, 2nd and 3rd extended terms. |
| 11. Recording of application for map staked licence - per claim | 7.50 | 5.00 | N/A | Mar. 27/92 | The map staked recording fee will be included with the recording fee for a ground staked licence. The fee for either the map staked or |

| MINES AND ENERGY (Cont'd) | Current Fee | Revised Fee | Licence Removal | Effective Date | Comments |
|---|---|---|---|---|---|
| | | | | | ground staked licence will be $5 per claim. |
| **MUNICIPAL AND PROVINCIAL AFFAIRS** | | | | | |
| 1. Initial fee for mobile home development | 25.00 | 0.00 | Yes | Mar. 27/92 | |
| 2. Annual fee for mobile home parks under licence | 1.00 | 0.00 | N/A | Mar. 27/92 | Only one mobile home park outside municipalities. |
| 3. Protected road zones | | | No | Mar. 27/92 | |
| (a) developments valued up to $100,000 | 100.00 | 0.00 | | | |
| developments valued over $100,000 | 200.00 | 0.00 | | | |
| (b) residential | 30.00 | 0.00 | | | |
| (c) summer cottages | 50.00 | 0.00 | | | |
| (d) public recreation | 25.00 | 0.00 | | | |
| (e) forestry, agriculture and fishing uses | 25.00 | 0.00 | | | |
| (f) accessory building or extension (residental or cottage) | 20.00 | 0.00 | | | |
| (g) quarries | 50.00 | 0.00 | | | |
| (h) for accesses | 25.00 | 0.00 | | | |
| **SOCIAL SERVICES** | | | | | |
| 1. Daycare centre licence | 1.00 | 0.00 | No | Mar. 27/92 | |
| **WORKS, SERVICES AND TRANSPORTATION** | | | | | |
| 1. Driver's licence replacement fee | 5.00 | 0.00 | No | Mar. 27/92 | |
| 2. Beginner's driving permit | 10.00 | 10.00 | No | May 1/92 | The life of this permit has been extended to 1 year from 6 months. |
| 3. Renewal beginner's permit | 10.00 | 0.00 | Yes | Mar. 27/92 | No longer neccessary with the beginner's permit extended to 1 year. |
| 4. Municipal government plates | 10.00 | 0.00 | No | Mar. 27/92 | |
| 5. Dealer's licence | 50.00 | 0.00 | No | Mar. 27/92 | |
| 6. Pulpwood trucks operating on woods road | 436.00 | 0.00 | Yes | Mar. 27/92 | |

| | Current Fee | Revised Fee | Licence Removal | Effective Date | Comments |
|---|---|---|---|---|---|
| **WORKS, SERVICES AND TRANSPORTATION (Cont'd)** | | | | | |
| 7. Dealer temporary stickers for new vehicles (per sticker) | 0.50 | 0.00 | No | Mar. 27/92 | The temporary stickers still will be required for used vehicles with expired registrations. |
| 8. Replacement plates fee | 10.00 | 0.00 | N/A | Mar. 27/92 | There is a fee for the replacement of plates. This fee has been eliminated for defective plates. |
| 9. Replacement plates fee (transfer of ownership) | 10.00 | 0.00 | N/A | Mar. 27/92 | Pertains to replacement of plate on some vehicles sold at a public sale. |
| 10. Amateur radio operator plate transfer fee | 5.00 | 0.00 | N/A | Mar. 27/92 | |
| 11. Change expiry date on a vehicle registration | 20.00 | 0.00 | N/A | Mar. 27/92 | |

## APPENDIX C

## FEDERAL-PROVINCIAL FISCAL TRANSFERS

### INTRODUCTION

This Province is a staunch proponent of the federal-provincial transfer system. The intrinsic cohesive value of this financial network strengthens the nation. The fiscal transfers mitigate imbalances between provincial revenue raising capacities and expenditure responsibilities. These transfers are essential to the provision of basic public services throughout the country, and to the promotion of a more level playing field where the cost of services is influenced by the interaction of a wide range of geographic and economic factors.

Transfers from the Government of Canada will account for 45 percent of the Province's revenues in 1992-93, compared to 50 percent in 1986-87. The major fiscal transfer programs are the Equalization Program, Established Programs Financing (EPF) and Canada Assistance Plan (CAP). The Equalization Program provides unconditional grants to the seven less affluent provinces. All provinces benefit from EPF transfers in support of health and post-secondary education, and from CAP cost-sharing of eligible social assistance and welfare expenditures.

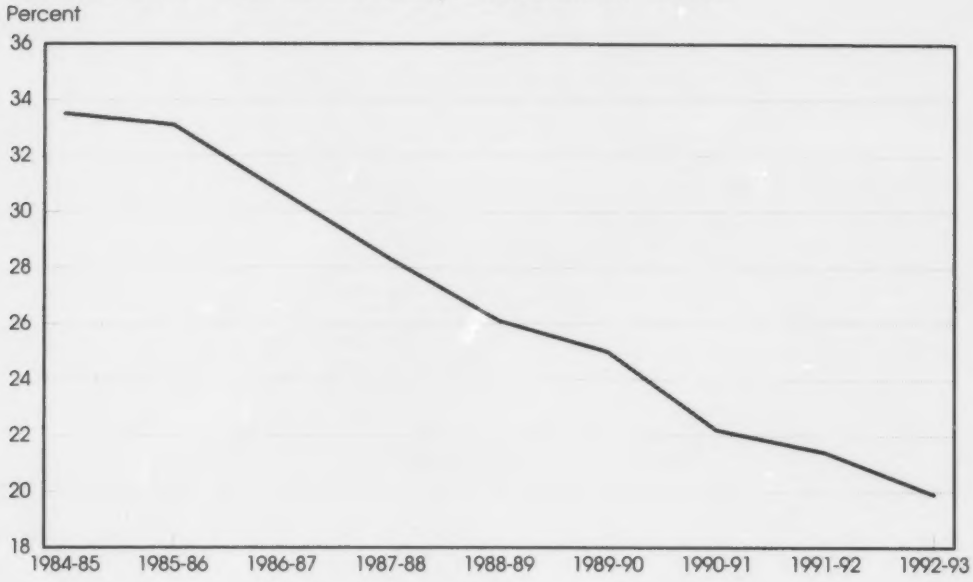
The importance of the federal-provincial fiscal transfer system has been a recurring theme in Budgets of the Government of Newfoundland and Labrador since 1989. The primary focus has been the negative effects on provinces of federal restraint policies. While these restraints are causing fiscal hardships, this Budget can present a somewhat more positive perspective on the transfer system.

### RECENT DEVELOPMENTS

Newfoundland has been negatively impacted by the restraint measures imposed upon both equalization and EPF transfers. The latest in a series of EPF restraint measures will see per capita entitlements frozen at the 1989-90 levels until 1994-95. The impact of the cumulative EPF restraint measures announced since 1982 will be $160 million in 1992-93. These restraints have reduced significantly federal cash support for provincial health and post-secondary education programs. As illustrated in Figure C-1, the federal contribution to these programs has declined from 34 percent to 20 percent since 1984-85. The EPF cash transfer of $211 million in 1992-93 is less than the amount provided a decade ago. A second major constraint on federal transfers is the ceiling which limits equalization growth to the rate of national economic growth. This constraint has cost the Province more than $150 million since 1988-89.

There has been considerable activity related to the transfer system over the last couple of years including extensive discussions aimed at the renewal of the Equalization Program for April, 1992. The equalization formula is to be renewed for two years rather than the traditional five-year period. This abbreviated timeframe allows for the completion of further equalization business, as well as for timely consideration of matters pertaining to major transfer reform and the constitutional discussions.

Figure C-1
EPF Cash Transfers as a Percent of Newfoundland Health and Post-Secondary Education Costs




Much has been accomplished for the April, 1992 renewal of the Equalization Program. The base year for the ceiling constraint has been changed from 1987 to 1992. This prevents the ceiling from being activated in 1992-93; however, based upon current fiscal and economic estimates, the unadjusted ceiling would not have been triggered. The fiscal implications for subsequent years cannot be determined at this time. The federal government also has corrected an anomaly in the interaction of the equalization ceiling with the EPF arrangements, which reduced EPF cash transfers to equalization recipient provinces. As well, the measurement of the relative revenue raising capacities of provinces in the equalization formula was improved through a series of technical tax base adjustments. These changes will result in a $31 million benefit to this Province in 1992-93, partially offsetting unanticipated declines in transfers caused by the prolonged economic slowdown.

Newfoundland has articulated its views on the transfer system through a variety of forums from the level of finance officials to Finance Ministers to First Ministers. The federal government has committed to review the major transfers to ensure that they reflect the economic and fiscal circumstances of the 1990s and effectively address the needs and priorities of Canadians. The next two years provide an opportunity to pursue major transfer reform and other unresolved transfer issues.

## FUTURE DIRECTIONS

The review of the federal-provincial transfer arrangements should include a determination of the objectives of the transfer system, and whether the current financial arrangements can achieve these goals. Where deficiencies exist, it will be necessary to take corrective action.

The fiscal transfer arrangements reflect the longstanding desire of the Canadian federation to address imbalances in revenue raising capacities and expenditure responsibilities. The 1982 constitutional amendment enunciates objectives for a system of fiscal transfers. Section 36 of The Constitution Act heralds the commitment of federal and provincial governments to all Canadians for the promotion of equal opportunities, the reduction of disparities and the provision of a reasonable quality of essential public services. Further, the commitment includes the principle of making equalization payments to ensure that provinces have sufficient revenues to provide reasonably comparable levels of public services at reasonably comparable levels of taxation. The existing network of major transfers is compatible with these objectives for the transfer system, but there is need for improvement.

The productive federal-provincial consultative process of the past year led to the identification of issues which must be considered to evaluate effectively the existing transfer system and overcome any deficiencies. With reference to the Equalization Program, the two-year renewal affords opportunity to proceed with unfinished business, including the ceiling constraint, the equalization standard, expenditure need, excessive tax-backs and a series of technical tax base issues.

The broader major transfer reform exercise also must embrace issues central to the financial structure of the country. These issues include the adequacy and affordability of such social programs as EPF and CAP, particularly in light of ongoing federal transfer restraint. A related matter pertains to the concept of expenditure need, and the extent to which it should be incorporated into the transfer arrangements. As well, some provinces attach considerable emphasis to tax transfers, while others are more interested in the stabilization properties of the transfer system.

Further areas of interest will emerge as the process of evaluation continues, including any directions emanating from the constitutional discussions.

## NEWFOUNDLAND CONCERNS

Newfoundland is encouraged by the firm commitment of the federal government to the federal-provincial examination, on a priority basis, of the equalization ceiling, the equalization standard, expenditure need, excessive tax-backs and further tax base work.

The equalization ceiling has been the focus of considerable debate in recent years. The federal government maintains that its fiscal difficulties demand protection from the uncertainty and potential high cost of an open-ended program. Newfoundland, however, regards the ceiling as an arbitrary and inequitable feature which inhibits the ability of the Equalization Program to mitigate fiscal disparities among provinces. The ceiling limits the growth of total equalization entitlements to the rate of national economic growth, despite the presence

of greater fiscal need, as measured by the equalization formula. The ceiling is contrary to the spirit and basic principles of the program, and should be eliminated.

Newfoundland believes that a strong equalization standard is required to deal effectively with regional fiscal disparities. The current standard, comprised of Quebec, Ontario, Manitoba, Saskatchewan and British Columbia, in effect equalizes recipient provinces to about 92 percent of the per capita revenue generating capacity of the all-province level. This is an equalization issue which must be addressed in conjunction with discussions related to the ceiling constraint and the concept of expenditure need.

Newfoundland maintains that the equalization formula should incorporate not only the revenue capacities, but also the expenditure needs of provinces. The ability to provide reasonably comparable levels of public services is influenced not only by revenue capacity but also by the different costs of delivering programs in different regions due to the interaction of a wide range of economic and geographic factors. Relevant economic factors include economies-of-scale, vertical and horizontal integration and transportation costs, while important geographic considerations include terrain, topography, location, distances, physical separation, population dispersement and settlement patterns. The incorporation of expenditure need would be a logical progression in the evolution of the program. This Province supports the federal commitment to study this matter on a priority basis.

Newfoundland has sought to improve the equalization formula through a reduction of the excessive and inequitable tax-backs associated with new revenue generating capacity in certain resource areas. The federal government recognizes that excessive tax-back rates are a concern, and have considered a solution. They have decided that this matter warrants further study before corrective action is taken. Newfoundland believes that remedial action is imperative for such cases as offshore revenues, where a tax-back rate of 100 percent results in a dollar equalization loss for each dollar of offshore revenues. If this same incremental revenue capacity accrued to certain other receiving provinces, the rate of loss would be much less. Such excessive and inequitable rates of equalization tax-back are a disincentive for a province to become more self-sufficient, and undermine the credibility of the Equalization Program.

In addition to these four broad conceptual concerns, there is the ongoing process of improving the measurement methodologies in the equalization formula, especially at the tax base level.

Newfoundland also is interested in the broader major transfer reform exercise. The concept of expenditure need should be considered in the context of major transfer reform as it is pertinent not only to the Equalization Program, but also to the entire transfer system. There is a need to be cognizant of the adequacy and interactive nature of all transfer programs, most notably the Equalization Program, EPF and CAP.

## CONCLUSION

The fiscal transfers are vitally important to both this Province and the nation. Newfoundland believes that the transfers exert a cohesive influence which is fundamental to the Canadian federation. During the past couple of years, much has been accomplished through

the two-year renewal of the Equalization Program and the laying of a solid foundation for further reform of fiscal transfers.

We must build on the strengths of the existing federal-provincial transfer system, and undertake appropriate reforms that reflect intergovernmental expenditure responsibilities and effectively address regional economic and social imbalances.

# BUDGET
# 1992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*STATEMENT I*

## NEWFOUNDLAND AND LABRADOR

## SUMMARY OF BORROWING REQUIREMENTS AND SOURCES OF FUNDS

## 1992-93 and 1991-92 (Revised)

| | 1992-93 Estimates | | 1991-92 Revised | |
|---|---|---|---|---|
| | ($000) | ($000) | ($000) | ($000) |
| **BUDGETARY REQUIREMENTS** | | | | |
| Current Account: | | | | |
| Gross Expenditure | **3,164,645** | | 3,033,844 | |
| Related Revenues | **376,558** | | 347,618 | |
| Net Expenditure (Note 1) | **2,788,087** | | 2,686,226 | |
| Provincial and Federal Revenues | **2,759,104** | | 2,626,684 | |
| Financial Requirement | | **28,983** | | 59,542 |
| Capital Account: | | | | |
| Gross Expenditure | **372,280** | | 362,093 | |
| Related Revenues | **161,529** | | 134,765 | |
| Net Expenditure (Note 1) | | **210,751** | | 227,328 |
| **TOTAL BUDGETARY REQUIREMENTS** | | **239,734** | | 286,870 |
| **NON-BUDGETARY TRANSACTIONS** | | | | |
| DEBT RETIREMENT | | | | |
| Redemptions (See Appendix II) | **99,506** | | 426,123 | |
| Sinking Funds (See Appendix II) | **55,939** | | 59,638 | |
| | | **155,445** | | 485,761 |
| **TOTAL BORROWING REQUIREMENTS** | | **395,179** | | 772,631 |
| **SOURCES OF BORROWINGS** | | | | |
| General Borrowings (Note 2) | | **365,179** | | 731,773 |
| Canada Pension Plan | | **30,000** | | 40,858 |
| **TOTAL SOURCES** | | **395,179** | | 772,631 |

Note 1: The 1991-92 revised current account budget has been increased by $4.8 million to reflect a restatement of certain expenditures from capital to current account.

Note 2: General borrowings include capital market issues, short term credit and treasury bills.

*STATEMENT II*

## COMPARATIVE SUMMARY OF CURRENT AND RELATED REVENUES

**1992-93 Estimates and 1991-92 Revised**

| | 1992-93 Estimates | 1991-92 Revised |
|---|---|---|
| | ($000) | ($000) |
| **PROVINCIAL:** | | |
| Taxation: | | |
| Retail Sales Tax | **562,900** | 564,000 |
| Personal Income Tax | **517,600** | 467,700 |
| Gasoline Tax | **104,500** | 106,500 |
| Corporate Income Tax | **48,600** | 49,100 |
| Tobacco Tax | **63,400** | 56,500 |
| Mining Tax and Royalties | **20,900** | 17,500 |
| Payroll Tax | **66,800** | 45,000 |
| Other | **21,550** | 20,844 |
| | **1,406,250** | 1,327,144 |
| General Revenues: | | |
| Newfoundland Liquor Corporation | **73,700** | 80,500 |
| Vehicle and Drivers Licences | **31,918** | 30,616 |
| Lottery Revenues | **29,500** | 28,500 |
| Registry of Deeds | **9,500** | 9,200 |
| Fines and Forfeitures | **8,450** | 8,000 |
| Other | **13,086** | 14,380 |
| | **166,154** | 171,196 |
| Expenditure Programs — Related Revenues: | | |
| Recoveries—Sinking Fund Surpluses | **67,128** | 66,899 |
| Interest Income | **23,995** | 19,795 |
| Other | **58,178** | 60,772 |
| | **149,301** | 147,466 |
| **TOTAL: PROVINCIAL REVENUES** | **1,721,705** | 1,645,806 |
| **GOVERNMENT OF CANADA:** | | |
| Fiscal Transfer Payments: | | |
| Equalization Payments | **945,000** | 886,600 |
| Established Programs Financing Grant | **222,800** | 224,500 |
| Provincial Share of Utility Companies Tax | **9,156** | 7,500 |
| Term 29 Award | **8,000** | 8,000 |
| Statutory Subsidies | **1,744** | 1,744 |
| | **1,186,700** | 1,128,344 |
| Cost Shared Programs: | | |
| Canada Assistance Plan | **137,739** | 129,615 |
| Resource | **44,460** | 28,014 |
| Offshore Fund | **7,143** | 2,769 |
| Manpower Training | **12,771** | 12,797 |
| Native Peoples | **2,207** | 2,012 |
| Other | **22,937** | 24,945 |
| | **227,257** | 200,152 |
| **TOTAL: GOVERNMENT OF CANADA REVENUES** | **1,413,957** | 1,328,496 |
| **TOTAL: CURRENT AND RELATED REVENUES** | **3,135,662** | 2,974,302 |

*STATEMENT III*

## SUMMARY OF CURRENT AND CAPITAL ACCOUNT EXPENDITURES

**1992-93 and 1991-92 Revised**

| | 1992-93 | | | 1991-92 |
|---|---|---|---|---|
| | Gross Expenditure | Related Revenue | Net Expenditure | Revised (Net) |
| | $ | $ | $ | $ |
| **General Government Sector** | | | | |
| Consolidated Fund Services | 543,446,900 | 102,030,700 | 441,416,200 | 466,528,100 |
| Executive Council | $18,544,400 | 584,000 | 17,960,400 | 14,345,600 |
| Finance | 53,061,200 | 6,940,100 | 46,121,100 | 48,059,400 |
| Legislature | 11,013,200 | 375,000 | 10,638,200 | 9,475,400 |
| Public Service Commission | 2,798,400 | 115,000 | 2,683,400 | 2,640,900 |
| Works, Services and Transportation | 286,265,000 | 70,003,200 | 216,261,800 | 202,565,000 |
| **Resource Sector** | | | | |
| Development | 157,425,700 | 84,126,900 | 73,298,800 | 63,464,500 |
| Environment and Lands | 30,808,400 | 6,413,500 | 24,394,900 | 21,197,100 |
| Fisheries | 43,537,500 | 15,609,300 | 27,928,200 | 23,278,300 |
| Forestry and Agriculture | 57,476,000 | 21,516,800 | 35,959,200 | 34,431,300 |
| Mines and Energy | 16,461,100 | 1,180,500 | 15,280,600 | 14,719,500 |
| **Social Sector** | | | | |
| Education | 825,783,200 | 35,318,700 | 790,464,500 | 746,327,300 |
| Employment and Labour Relations | 21,271,900 | 6,438,700 | 14,833,200 | 18,521,800 |
| Health | 882,887,500 | 34,434,300 | 848,453,200 | 829,568,400 |
| Justice | 113,895,100 | 4,326,600 | 109,568,500 | 102,187,900 |
| Municipal and Provincial Affairs | 172,732,900 | 20,935,000 | 151,797,900 | 145,012,700 |
| Newfoundland and Labrador Housing Corporation | 18,657,000 | 1,865,000 | 16,792,000 | 11,770,000 |
| Social Services | 280,859,400 | 125,873,700 | 154,985,700 | 159,460,800 |
| **TOTAL** | 3,536,924,800 | 538,087,000 | 2,998,837,800 | 2,913,554,000 |

### AMOUNT TO BE VOTED 1992-93

| | | |
|---|---|---|
| Gross Current and Capital Expenditure | | **3,536,924,800** |
| Less: Expenditures Approved by Statute: | | |
| Interest | **481,946,200** | |
| Pensions and Gratuities | **49,124,900** | |
| Debt Management Expenses | **4,008,500** | |
| Issues under Guarantee | **1,000,000** | |
| Salaries (Comptroller General and Auditor General) | **186,900** | **536,266,500** |
| Amount to be voted by Supply Bill | | **3,000,658,300** |

*STATEMENT IV*

## SUMMARY OF CURRENT ACCOUNT EXPENDITURES

### 1992-93 and 1991-92 Revised

| | 1992-93 | | | 1991-92 |
|---|---|---|---|---|
| | Gross Expenditure | Related Revenue | Net Expenditure | Revised (Net) |
| | ($000) | ($000) | ($000) | ($000) |
| **General Government Sector** | | | | |
| Consolidated Fund Services | 542,447 | 102,030 | 440,417 | 446,828 |
| Executive Council | 18,544 | 584 | 17,960 | 14,346 |
| Finance | 53,062 | 5,208 | 47,854 | 45,378 |
| Legislature | 11,013 | 375 | 10,638 | 9,475 |
| Public Service Commission | 2,798 | 115 | 2,683 | 2,641 |
| Works, Services and Transportation | 156,442 | 10,588 | 145,854 | 139,294 |
| **Resource Sector** | | | | |
| Development | 68,549 | 27,804 | 40,745 | 34,973 |
| Environment and Lands | 29,811 | 5,631 | 24,180 | 21,082 |
| Fisheries | 29,229 | 6,575 | 22,654 | 16,535 |
| Forestry and Agriculture | 47,909 | 16,129 | 31,780 | 31,645 |
| Mines and Energy | 16,461 | 1,180 | 15,281 | 14,720 |
| **Social Sector** | | | | |
| Education | 773,605 | 23,768 | 749,837 | 700,673 |
| Employment and Labour Relations | 21,272 | 6,439 | 14,833 | 18,522 |
| Health | 860,574 | 31,910 | 828,664 | 807,148 |
| Justice | 111,517 | 4,326 | 107,191 | 101,113 |
| Municipal and Provincial Affairs | 122,396 | 6,158 | 116,238 | 114,386 |
| Newfoundland and Labrador Housing Corporation | 18,657 | 1,865 | 16,792 | 11,770 |
| Social Services | 280,359 | 125,873 | 154,486 | 155,697 |
| **TOTAL** | 3,164,645 | 376,558 | 2,788,087 | 2,686,226 |

*STATEMENT V*

## SUMMARY OF CAPITAL ACCOUNT EXPENDITURES

**1992-93 and 1991-92 Revised**

| | 1992-93 | | | 1991-92 |
|---|---|---|---|---|
| | Gross Expenditure | Related Revenue | Net Expenditure | Revised (Net) |
| | ($000) | ($000) | ($000) | ($000) |
| **General Government Sector** | | | | |
| Consolidated Fund Services | 1,000 | 1 | 999 | 19,700 |
| Finance | – | 1,733 | (1,733) | 2,681 |
| Works, Services and Transportation | 129,823 | 59,415 | 70,408 | 63,271 |
| **Resource Sector** | | | | |
| Development | 88,877 | 56,323 | 32,554 | 28,491 |
| Environment and Lands | 997 | 782 | 215 | 115 |
| Fisheries | 14,309 | 9,035 | 5,274 | 6,744 |
| Forestry and Agriculture | 9,567 | 5,388 | 4,179 | 2,786 |
| **Social Sector** | | | | |
| Education | 52,178 | 11,550 | 40,628 | 45,654 |
| Health | 22,314 | 2,525 | 19,789 | 22,421 |
| Justice | 2,378 | – | 2,378 | 1,075 |
| Municipal and Provincial Affairs | 50,337 | 14,777 | 35,560 | 30,626 |
| Social Services | 500 | – | 500 | 3,764 |
| **TOTAL** | 372,280 | 161,529 | 210,751 | 227,328 |

**Note: For details refer to Appendix III.**

*STATEMENT VI*

## SUMMARY OF RELATED REVENUES AND EXPENDITURES
## BY MAIN OBJECT AND SECTOR
### 1992-93 and 1991-92 Revised

| | General Government Sector 1992/93 ($000) | Resource Sector 1992/93 ($000) | Social Sector 1992/93 ($000) | Total 1992/93 ($000) | % of 1992/93 Total % | Total 1991/92 Revised ($000) |
|---|---|---|---|---|---|---|
| **Current:** | | | | | | |
| Salaries | 99,213 | 55,402 | 149,052 | 303,667 | 9.6 | 300,533 |
| Employee Benefits | 86,387 | 526 | 1,797 | 88,710 | 2.8 | 83,942 |
| Transportation and Communications | 9,959 | 10,327 | 13,808 | 34,094 | 1.1 | 32,337 |
| Supplies | 36,274 | 10,326 | 15,130 | 61,730 | 2.0 | 58,819 |
| Professional Services | 18,362 | 9,732 | 61,181 | 89,275 | 2.8 | 85,310 |
| Purchased Services | 36,051 | 27,424 | 20,707 | 84,182 | 2.7 | 72,183 |
| Property, Furnishings and Equipment | 2,622 | 1,878 | 1,865 | 6,365 | 0.2 | 3,969 |
| Loans, Advances and Investments | 10 | – | – | 10 | – | 10 |
| Allowances and Assistance | 4,725 | 190 | 294,045 | 298,960 | 9.4 | 282,798 |
| Grants and Subsidies | 6,961 | 76,154 | 1,629,698 | 1,712,813 | 54.1 | 1,627,878 |
| Debt Expenses | 483,742 | – | 1,097 | 484,839 | 15.3 | 486,065 |
| **Gross Current Expenditure** | 784,306 | 191,959 | 2,188,380 | 3,164,645 | 100.0 | 3,033,844 |
| Federal Revenue Sources | 2,259 | 47,685 | 177,313 | 227,257 | 60.3 | 200,152 |
| Provincial Revenue Sources | 116,641 | 9,634 | 23,026 | 149,301 | 39.7 | 147,466 |
| **Total Current Related Revenues** | 118,900 | 57,319 | 200,339 | 376,558 | 100.0 | 347,618 |
| **Net Current Expenditure** | 665,406 | 134,640 | 1,988,041 | 2,788,087 | | 2,686,226 |
| **Capital:** | | | | | | |
| Salaries | 8,067 | 120 | 33 | 8,220 | 2.2 | 7,708 |
| Transportation & Communications | 1,196 | 12 | 1 | 1,209 | 0.3 | 1,301 |
| Supplies | 2,010 | 80 | 1 | 2,091 | 0.6 | 1,649 |
| Professional Services | 7,662 | 500 | 1,817 | 9,979 | 2.7 | 6,800 |
| Purchased Services | 125,680 | 6,671 | 14,819 | 147,170 | 39.5 | 128,844 |
| Property, Furnishings and Equipment | 13,510 | 852 | 11,365 | 25,727 | 6.9 | 24,369 |
| Loans, Advances and Investments | 1,000 | 30,901 | 350 | 32,251 | 8.7 | 52,152 |
| Grants and Subsidies | 451 | 74,614 | 69,583 | 144,648 | 38.8 | 138,152 |
| Debt Expenses | 482 | – | 503 | 985 | 0.3 | 1,118 |
| Expenditure by Sector before Recharges | 160,058 | 113,750 | 98,472 | 372,280 | 100.0 | 362,093 |
| Voted in Other Departments & Divisions | 7,112 | – | 29,235 | 36,347 | | 31,775 |
| Provided in Other Departments | – | – | – | – | | 245 |
| Recharged to Other Departments & Divisions | (36,347) | – | – | (36,347) | | (32,020) |
| **Gross Capital Expenditure** | 130,823 | 113,750 | 127,707 | 372,280 | | 362,093 |
| Federal Revenue Sources | 59,000 | 55,128 | 27,657 | 141,785 | 87.8 | 116,345 |
| Provincial Revenue Sources | 2,149 | 16,400 | 1,195 | 19,744 | 12.2 | 18,420 |
| **Total Capital Related Revenues** | 61,149 | 71,528 | 28,852 | 161,529 | 100.0 | 134,765 |
| **Net Capital Expenditure** | 69,674 | 42,222 | 98,855 | 210,751 | | 227,328 |
| **Total Net Expenditure** | 735,080 | 176,862 | 2,086,896 | 2,998,838 | | 2,913,554 |

*EXHIBIT I*

## SELECTED ECONOMIC STATISTICS

### 1988 to 1991

| | 1991 | % Change | 1990 | % Change | 1989 | % Change | 1988 |
|---|---|---|---|---|---|---|---|
| Population (000's) — as of June 1 | 574 | 0.2 | 573 | 0.4 | 571 | 0.4 | 569 |
| Gross Domestic Product ($ Millions) * | 8,152 | 2.3 | 7,969 | 4.1 | 7,653 | 6.5 | 7,187 |
| Total Personal Income ($ Millions) | 9,461 | 4.1 | 9,088 | 6.1 | 8,562 | 7.3 | 7,982 |
| Per Capita Personal Income ($) | 16,483 | 3.9 | 15,860 | 5.8 | 14,995 | 6.9 | 14,028 |
| Labour Force (000's) (Annual Average) | 241 | -0.4 | 242 | 1.7 | 238 | 3.0 | 231 |
| Employment (000's) (Annual Average) | 197 | -2.0 | 201 | 0.0 | 201 | 4.1 | 193 |
| Unemployment Rate (%) (Annual Average) | 18.4 | 7.6 | 17.1 | 8.2 | 15.8 | -3.7 | 16.4 |
| Wages and Salaries ($ Millions) | 4,643 | 2.4 | 4,534 | 4.1 | 4,356 | 7.4 | 4,056 |
| Consumer Price Index (1986 = 100) (Annual Average) | 120.9 | 6.1 | 113.9 | 4.3 | 109.2 | 3.7 | 105.3 |
| Total Volume of Fish Landings (Thousands of Metric Tonnes) (Roundweight) | 412.9 | -24.0 | 543.6 | 4.7 | 519.1 | -7.0 | 558.4 |
| Total Value of Fish Landings ($ Millions) | 242.0 | -14.5 | 283.0 | 8.4 | 261.1 | -9.1 | 287.1 |
| Pulpwood Production (000 Cubic Metres) | - | n.a. | 1,719 | -1.6 | 1,747 | -6.8 | 1,875 |
| Newsprint Shipments (Thousand Tonnes) | 636.0 | 0.9 | 630.4 | -2.1 | 644.2 | -0.3 | 646.4 |
| Iron Ore Shipments (Millions of Metric Tonnes) | 20.9 | 10.0 | 19.0 | -8.2 | 20.7 | 1.0 | 20.5 |
| Gross Value of Manufacturing Shipments ($ Millions) | 1,455 | -2.6 | 1,494 | -4.0 | 1,556 | -10.1 | 1,731 |
| Private and Public Investment ($ Millions) | 2,892 | 6.2 | 2,723 | -2.3 | 2,786 | 7.8 | 2,584 |
| Dwelling Starts (Number) | 2,836 | -12.6 | 3,245 | -8.2 | 3,536 | 11.6 | 3,168 |
| Retail Trade ($ Millions) | 3,426 | 1.3 | 3,381 | 3.8 | 3,257 | 5.8 | 3,077 |
| New Motor Vehicle Sales (Number) | 20,384 | -8.2 | 22,212 | -17.3 | 26,870 | -5.2 | 28,336 |

* at Factor Cost

Notes: (1) Some data is preliminary.
(2) Retail trade data, prior to 1991, have been lowered by 4.2 percent to remove the estimated FST in order to make the data more comparable with 1991.

Source: Statistics Canada; Newfoundland Statistics Agency and Economic Research and Analysis Division, Cabinet Secretariat

*EXHIBIT II*

## ESTIMATED PROVINCIAL AND FEDERAL REVENUES
### 1992-93 and 1991-92 Revised

| | 1992-93 Estimates | 1991-92 Revised |
|---|---|---|
| | ($000) | ($000) |
| **PROVINCIAL TAX SOURCES:** | | |
| Retail Sales Tax | **562,900** | 564,000 |
| Personal Income Tax | **517,600** | 467,700 |
| Gasoline Tax | **104,500** | 106,500 |
| Corporate Income Tax | **48,600** | 49,100 |
| Tobacco Tax | **63,400** | 56,500 |
| Mining Tax and Royalties | **20,900** | 17,500 |
| Payroll Tax | **66,800** | 45,000 |
| Insurance Companies Tax | **13,300** | 13,000 |
| Corporate Capital Tax | **5,780** | 5,475 |
| Forest Management Tax | **2,100** | 2,000 |
| Mineral Holdings Tax | **355** | 355 |
| Pari-Mutuel Tax | **15** | 14 |
| **TOTAL: Provincial Tax Sources** | **1,406,250** | 1,327,144 |
| **OTHER PROVINCIAL SOURCES:** | | |
| Newfoundland Liquor Corporation | **73,700** | 80,500 |
| Vehicle and Driver Licences | **31,918** | 30,616 |
| Lottery Revenues | **29,500** | 28,500 |
| Registry of Deeds | **9,500** | 9,200 |
| Fines and Forfeitures | **8,450** | 8,000 |
| Inland Fish and Game Licences | **1,994** | 2,300 |
| Newfoundland Liquor Licensing Board | **1,989** | 2,400 |
| Registry of Bills and Sales | **2,000** | 1,940 |
| Crown Lands | **1,609** | 1,500 |
| Mining Royalties and Fees | **995** | 1,200 |
| Forestry Royalties and Fees | **1,420** | 1,355 |
| Health Fees and Certificates | **280** | 700 |
| Lottery Licences | **1,160** | 1,135 |
| Park Permits | **466** | 600 |
| Insurance Companies, etc. | **480** | 450 |
| Other | **693** | 800 |
| **TOTAL: Other Provincial Sources** | **166,154** | 171,196 |
| **TOTAL: PROVINCIAL SOURCES** | **1,572,404** | 1,498,340 |
| **GOVERNMENT OF CANADA:** | | |
| Equalization | **945,000** | 886,600 |
| Established Programs Financing | **222,800** | 224,500 |
| PUITTA | **9,156** | 7,500 |
| Term 29 Award | **8,000** | 8,000 |
| Statutory Subsidies | **1,744** | 1,744 |
| **TOTAL: GOVERNMENT OF CANADA** | **1,186,700** | 1,128,344 |
| **TOTAL: PROVINCIAL AND FEDERAL REVENUES** | **2,759,104** | 2,626,684 |

*EXHIBIT III*

## CURRENT AND CAPITAL REVENUES
## PROVINCIAL AND FEDERAL SOURCES
### 1988-89 to 1992-93

| | 1992-93 Estimates | | 1991-92 Revised | | 1990-91 Audited | | 1989-90 Audited | | 1988-89 Audited | |
|---|---|---|---|---|---|---|---|---|---|---|
| | ($000) | % | ($000) | % | ($000) | % | ($000) | % | ($000) | % |
| Current Revenues: | | | | | | | | | | |
| Provincial Sources | **1,721,705** | 54.9 | 1,645,806 | 55.3 | 1,553,058 | 54.1 | 1,484,536 | 52.2 | 1,333,495 | 51.3 |
| Federal Sources | **1,413,957** | 45.1 | 1,328,496 | 44.7 | 1,318,997 | 45.9 | 1,359,626 | 47.8 | 1,266,934 | 48.7 |
| **Total: Current Revenues** | **3,135,662** | 100.0 | 2,974,302 | 100.0 | 2,872,055 | 100.0 | 2,844,162 | 100.0 | 2,600,429 | 100.0 |
| Capital Revenues: | | | | | | | | | | |
| Provincial Sources | **19,744** | 12.2 | 18,420 | 13.7 | 16,326 | 17.2 | 20,777 | 23.8 | 16,062 | 25.1 |
| Federal Sources | **141,785** | 87.8 | 116,345 | 86.3 | 78,625 | 82.8 | 66,362 | 76.2 | 47,906 | 74.9 |
| **Total: Capital Revenues** | **161,529** | 100.0 | 134,765 | 100.0 | 94,951 | 100.0 | 87,139 | 100.0 | 63,968 | 100.0 |
| Current and Capital Revenues: | | | | | | | | | | |
| Provincial Sources | **1,741,449** | 52.8 | 1,664,226 | 53.5 | 1,569,384 | 52.9 | 1,505,313 | 51.4 | 1,349,557 | 50.7 |
| Federal Sources | **1,555,742** | 47.2 | 1,444,841 | 46.5 | 1,397,622 | 47.1 | 1,425,988 | 48.6 | 1,314,840 | 49.3 |
| **Total: Current and Capital Revenues** | **3,297,191** | 100.0 | 3,109,067 | 100.0 | 2,967,006 | 100.0 | 2,931,301 | 100.0 | 2,664,397 | 100.0 |

*EXHIBIT IV*

## EXPENDITURE SUMMARY
### 1992-93 Estimated

| Head | Total | | Current | | Capital | |
|---|---|---|---|---|---|---|
| | Gross | Net | Gross | Net | Gross | Net |
| | ($000) | ($000) | ($000) | ($000) | ($000) | ($000) |
| Consolidated Fund Services | 543,447 | 441,416 | 542,447 | 440,417 | 1,000 | 999 |
| Executive Council | 18,544 | 17,960 | 18,544 | 17,960 | – | – |
| Finance | 53,062 | 46,121 | 53,062 | 47,854 | – | (1,733) |
| Legislature | 11,013 | 10,638 | 11,013 | 10,638 | – | – |
| Public Service Commission | 2,798 | 2,683 | 2,798 | 2,683 | – | – |
| Works, Services and Transportation | 286,265 | 216,262 | 156,442 | 145,854 | 129,823 | 70,408 |
| Development | 157,426 | 73,299 | 68,549 | 40,745 | 88,877 | 32,554 |
| Environment and Lands | 30,808 | 24,395 | 29,811 | 24,180 | 997 | 215 |
| Fisheries | 43,538 | 27,928 | 29,229 | 22,654 | 14,309 | 5,274 |
| Forestry and Agriculture | 57,476 | 35,959 | 47,909 | 31,780 | 9,567 | 4,179 |
| Mines and Energy | 16,461 | 15,281 | 16,461 | 15,281 | – | – |
| Education | 825,783 | 790,465 | 773,605 | 749,837 | 52,178 | 40,628 |
| Employment and Labour Relations | 21,272 | 14,833 | 21,272 | 14,833 | – | – |
| Health | 882,888 | 848,453 | 860,574 | 828,664 | 22,314 | 19,789 |
| Justice | 113,895 | 109,569 | 111,517 | 107,191 | 2,378 | 2,378 |
| Municipal and Provincial Affairs | 172,733 | 151,798 | 122,396 | 116,238 | 50,337 | 35,560 |
| Newfoundland and Labrador Housing Corporation | 18,657 | 16,792 | 18,657 | 16,792 | – | – |
| Social Services | 280,859 | 154,986 | 280,359 | 154,486 | 500 | 500 |
| **TOTAL** | 3,536,925 | 2,998,838 | 3,164,645 | 2,788,087 | 372,280 | 210,751 |

## EXPENDITURE SUMMARY
### 1991-92 Revised

| | | | | | | |
|---|---|---|---|---|---|---|
| Consolidated Fund Services | 566,322 | 466,528 | 546,621 | 446,828 | 19,701 | 19,700 |
| Executive Council | 14,561 | 14,346 | 14,561 | 14,346 | – | – |
| Finance | 53,950 | 48,059 | 49,523 | 45,378 | 4,427 | 2,681 |
| Legislature | 9,845 | 9,475 | 9,845 | 9,475 | – | – |
| Public Service Commission | 2,747 | 2,641 | 2,747 | 2,641 | – | – |
| Works, Services and Transportation | 268,603 | 202,565 | 149,242 | 139,294 | 119,361 | 63,271 |
| Development | 132,349 | 63,464 | 55,958 | 34,973 | 76,391 | 28,491 |
| Environment and Lands | 22,748 | 21,197 | 22,325 | 21,082 | 423 | 115 |
| Fisheries | 37,469 | 23,279 | 21,284 | 16,535 | 16,185 | 6,744 |
| Forestry and Agriculture | 50,100 | 34,431 | 43,555 | 31,645 | 6,545 | 2,786 |
| Mines and Energy | 15,837 | 14,720 | 15,837 | 14,720 | – | – |
| Education | 777,854 | 746,327 | 725,033 | 700,673 | 52,821 | 45,654 |
| Employment and Labour Relations | 23,551 | 18,522 | 23,551 | 18,522 | – | – |
| Health | 861,151 | 829,569 | 837,835 | 807,148 | 23,316 | 22,421 |
| Justice | 107,898 | 102,188 | 106,823 | 101,113 | 1,075 | 1,075 |
| Municipal and Provincial Affairs | 156,340 | 145,012 | 118,256 | 114,386 | 38,084 | 30,626 |
| Newfoundland and Labrador Housing Corporation | 15,645 | 11,770 | 15,645 | 11,770 | – | – |
| Social Services | 278,967 | 159,461 | 275,203 | 155,697 | 3,764 | 3,764 |
| **TOTAL** | 3,395,937 | 2,913,554 | 3,033,844 | 2,686,226 | 362,093 | 227,328 |

*EXHIBIT V*

## PUBLIC SECTOR DEBT

### 1988 to 1992

| | Five Years ending March 31 | | | | |
|---|---|---|---|---|---|
| | **1992*** | **1991** | **1990** | **1989** | **1988** |
| | **(Millions of dollars)** | | | | |
| Provincial Direct Debt: | | | | | |
| Payable in Canadian Dollars | **1,681.2** | 1,624.9 | 1,652.4 | 1,532.1 | 1,435.5 |
| Due Government of Canada | **860.2** | 847.8 | 828.0 | 801.8 | 777.6 |
| Payable in U.S. Dollars | **1,362.7** | 1,573.3 | 1,383.1 | 1,331.5 | 1,476.5 |
| Payable in Other Currencies | **742.2** | 615.9 | 515.6 | 520.3 | 499.3 |
| Total Direct Debenture Debt | **4,646.3** | 4,661.9 | 4,379.1 | 4,185.7 | 4,188.9 |
| Treasury Bills | **286.0** | 130.0 | 130.0 | 130.0 | 130.0 |
| **Total Provincial Direct Debt** | **4,932.3** | 4,791.9 | 4,509.1 | 4,315.7 | 4,318.9 |
| Crown Corporation and Other Debt: | | | | | |
| Utility | **1,366.5** | 1,221.1 | 1,228.1 | 1,135.3 | 1,119.4 |
| Housing | **136.6** | 135.9 | 111.5 | 84.6 | 75.9 |
| Municipal | **646.4** | 634.2 | 583.5 | 559.8 | 528.8 |
| Other | **79.8** | 110.2 | 138.9 | 155.2 | 115.9 |
| **Total Crown Corporation and Other Debt** | **2,229.3** | 2,101.4 | 2,062.0 | 1,934.9 | 1,840.0 |
| Deduct Sinking Funds held for Redemption of Debt: | | | | | |
| Provincial Obligations | **1,029.1** | 1,241.4 | 1,140.3 | 1,120.6 | 1,029.8 |
| Guaranteed Debt | **382.3** | 360.1 | 316.5 | 286.1 | 261.8 |
| **Total Sinking Funds** | **1,411.4** | 1,601.5 | 1,456.8 | 1,406.7 | 1,291.6 |
| **Total Public Sector Debt (1)** | **5,750.2** | 5,291.8 | 5,114.3 | 4,843.9 | 4,867.3 |

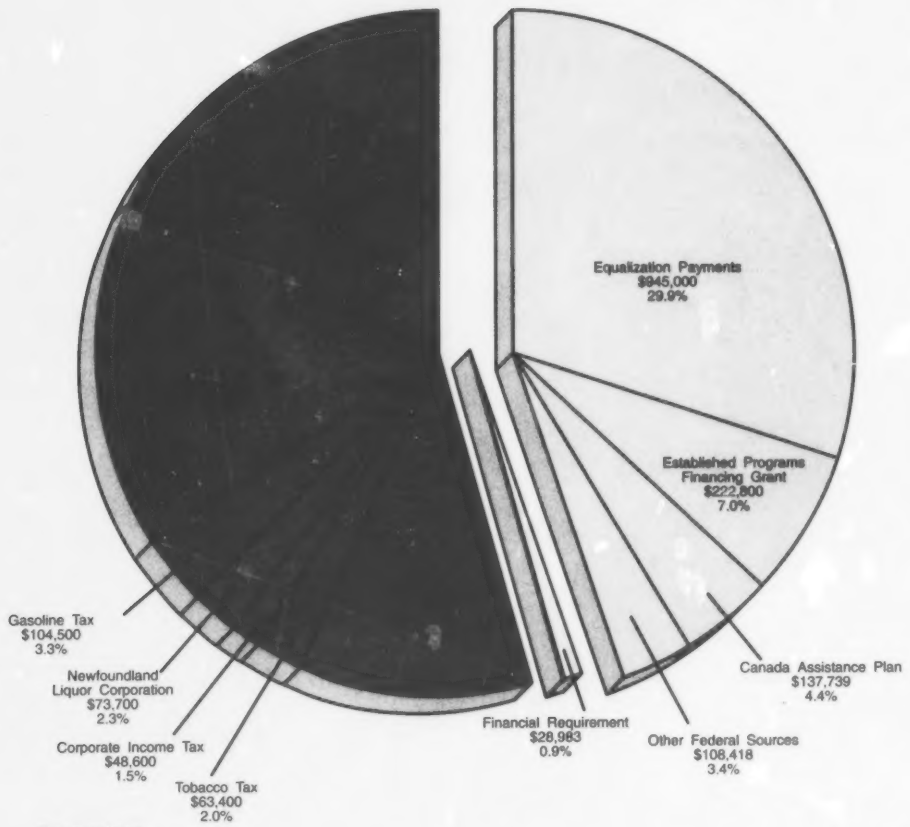
* Forecast

(1) Debt payable in foreign currencies is shown at the Canadian dollar equivalent using the rates of exchange in effect on March 31 of each year.

*EXHIBIT VI*

**SUMMARY OF CURRENT REVENUES (By Source)**

# WHERE THE MONEY COMES FROM

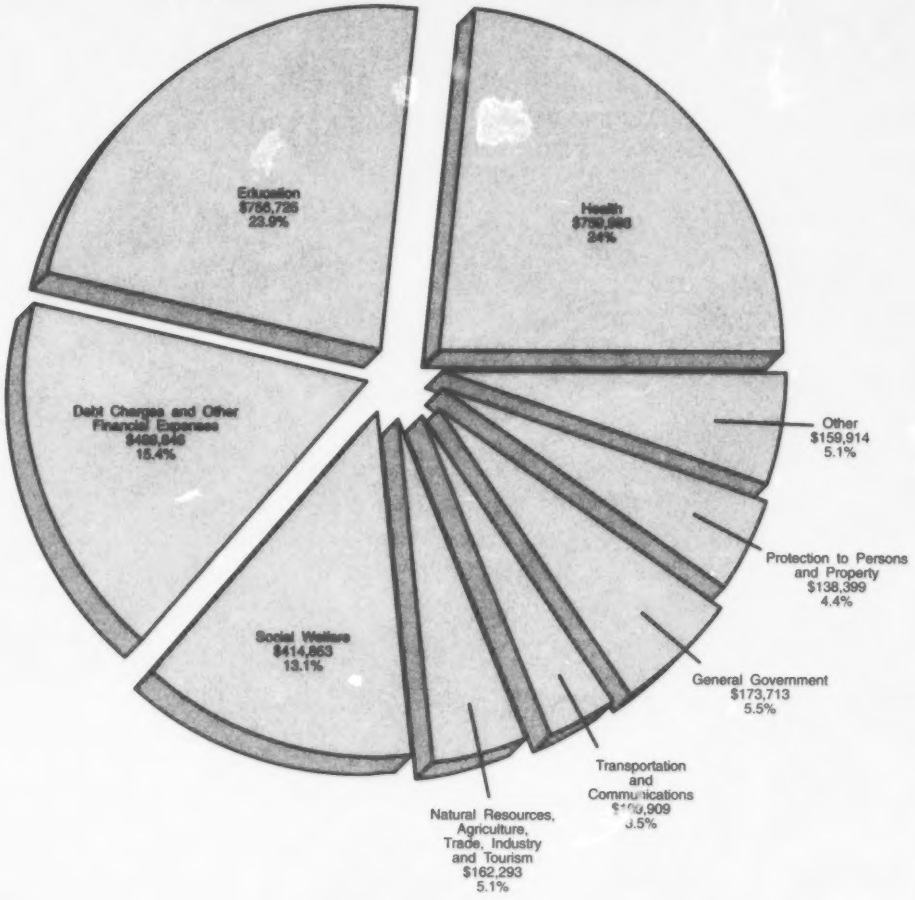



| Percentage of Total | | Source | Amount ($000) | |
|---|---|---|---|---|
| Revised 1991-92 | Estimate 1992-93 | | Estimate 1992-93 | Revised 1991-92 |
| | | **Provincial:** | | |
| 18.6 | 17.8 | Retail Sales Tax | 562,900 | 564,000 |
| 15.4 | 16.4 | Personal Income Tax | 517,600 | 467,700 |
| 3.5 | 3.3 | Gasoline Tax | 104,500 | 106,500 |
| 2.7 | 2.3 | Newfoundland Liquor Corporation | 73,700 | 80,500 |
| 1.6 | 1.5 | Corporate Income Tax | 48,600 | 49,100 |
| 1.9 | 2.0 | Tobacco Tax | 63,400 | 56,500 |
| 10.6 | 11.1 | Other Provincial Sources | 351,005 | 321,506 |
| 54.3 | 54.4 | **Total: Provincial** | 1,721,705 | 1,645,806 |
| | | **Government of Canada:** | | |
| 29.2 | 29.9 | Equalization Payments | 945,000 | 886,600 |
| 7.4 | 7.0 | Established Programs Financing Grant | 222,800 | 224,500 |
| 4.2 | 4.4 | Canada Assistance Plan | 137,739 | 129,615 |
| 2.9 | 3.4 | Other Federal Sources | 108,418 | 87,781 |
| 43.7 | 44.7 | **Total: Government of Canada** | 1,413,957 | 1,328,496 |
| 98.0 | 99.1 | **Total: Current Revenues** | 3,135,662 | 2,974,302 |
| 2.0 | 0.9 | **Financial Requirement** | 28,983 | 59,542 |
| 100.0 | 100.0 | **Total** | 3,164,645 | 3,033,844 |

*EXHIBIT VII*

**SUMMARY OF CURRENT ACCOUNT EXPENDITURE (By Function)**

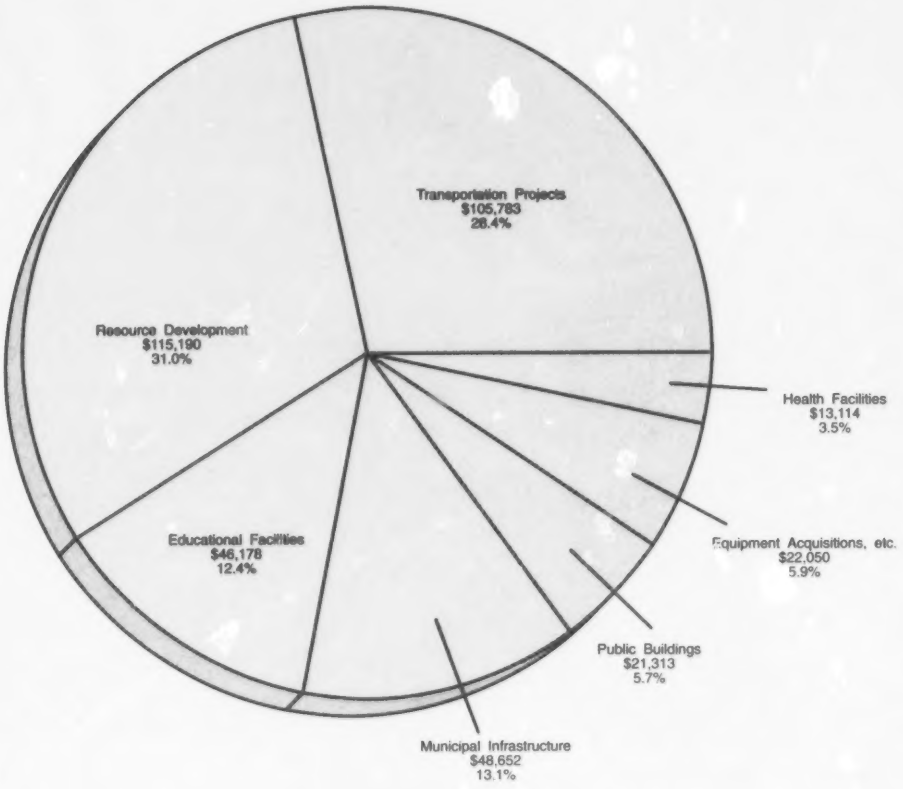
# WHERE THE MONEY GOES




| Percentage of Total | | Function of Expenditure | Amount ($000) | |
|---|---|---|---|---|
| Revised 1991-92 | Estimate 1992-93 | | Estimate 1992-93 | Revised 1991-92 |
| | | **Expenditure:** | | |
| 23.3 | 23.9 | Education | 756,725 | 707,907 |
| 24.4 | 24.0 | Health | 759,993 | 741,565 |
| 16.3 | 15.4 | Debt Charges and Other Financial Expenses | 488,846 | 493,900 |
| 13.3 | 13.1 | Social Welfare | 414,853 | 402,061 |
| 4.4 | 5.1 | Natural Resources, Agriculture, Trade, Industry and Tourism | 162,293 | 134,149 |
| 5.4 | 5.5 | General Government | 173,713 | 163,705 |
| 4.4 | 4.4 | Protection to Persons and Property | 138,399 | 133,093 |
| 3.4 | 3.5 | Transportation and Communications | 109,909 | 103,341 |
| 5.1 | 5.1 | Other | 159,914 | 154,123 |
| 100.0 | 100.0 | **Total: Expenditure** | 3,164,645 | 3,033,844 |

*EXHIBIT VIII*

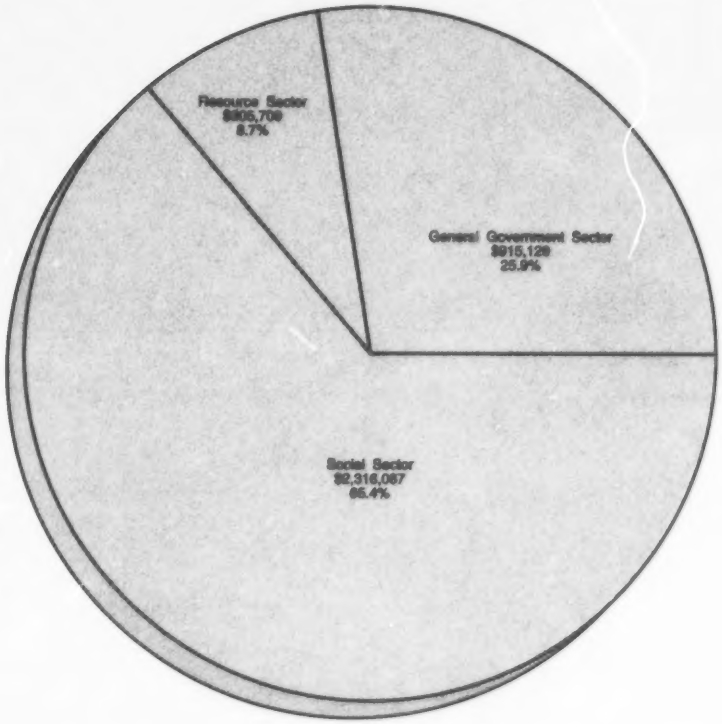
## SUMMARY OF GROSS CAPITAL ACCOUNT EXPENDITURE
## (By Category)




| Percentage of Total | | Category of Capital Expenditure | Amount ($000) | |
|---|---|---|---|---|
| Revised 1991-92 | Estimate 1992-93 | | Estimate 1992-93 | Revised 1991-92 |
| | | **Expenditure:** | | |
| 34.4 | 31.0 | Resource Development | 115,190 | 124,385 |
| 26.9 | 28.4 | Transportation Projects | 105,783 | 97,521 |
| 10.1 | 13.1 | Municipal Infrastructure | 48,652 | 36,425 |
| 12.9 | 12.4 | Educational Facilities | 46,178 | 46,821 |
| 6.0 | 5.9 | Equipment Acquisitions, etc. | 22,050 | 21,699 |
| 5.8 | 5.7 | Public Buildings | 21,313 | 21,126 |
| 3.9 | 3.5 | Health Facilities | 13,114 | 14,116 |
| 100.0 | 100.0 | **Total: Expenditure** | 372,280 | 362,093 |
| | | **Sources of Financing:** | | |
| 32.1 | 38.1 | Government of Canada Revenues | 141,785 | 116,345 |
| 5.1 | 5.3 | Provincial Revenues | 19,744 | 18,420 |
| 62.8 | 56.6 | Financial Requirement | 210,751 | 227,328 |
| 100.0 | 100.0 | **Total: Sources** | 372,280 | 362,093 |

*EXHIBIT IX*

## SUMMARY OF GROSS GOVERNMENT EXPENDITURE
## CURRENT AND CAPITAL
## (By Sector)




**(TOTAL EXPENDITURE: $3,536,924,800)**

### GROSS GOVERNMENT EXPENDITURE

| | Estimate 1992-93 ($000) | Percentage of Total % |
|---|---|---|
| Sector Expenditure | | |
| General Government | 915,129 | 25.9 |
| Resource | 305,709 | 8.7 |
| Social | 2,316,087 | 65.4 |
| **Total: Expenditure** | 3,536,925 | 100.0 |

### GENERAL GOVERNMENT SECTOR

| | Estimate 1992-93 ($000) | Percentage of Total % |
|---|---|---|
| Consolidated Fund Services | 543,447 | 15.4 |
| Executive Council | 18,544 | 0.5 |
| Finance | 53,062 | 1.5 |
| Legislature | 11,013 | 0.3 |
| Public Service Commission | 2,798 | 0.1 |
| Works, Services & Transportation | 286,265 | 8.1 |
| **Total: General Government Sector** | 915,129 | 25.9 |

### SOCIAL SECTOR

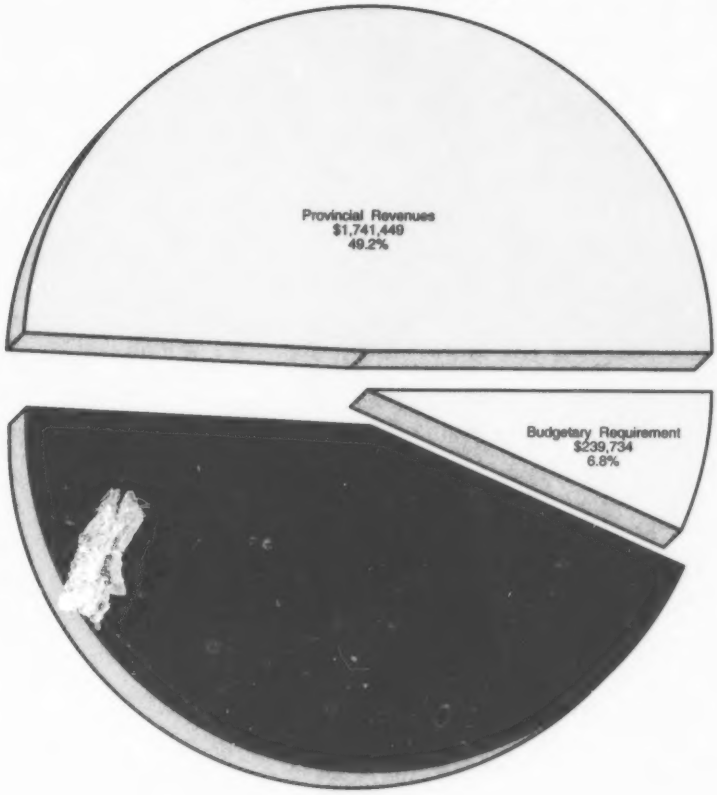
| | Estimate 1992-93 ($000) | Percentage of Total % |
|---|---|---|
| Education | 825,783 | 23.3 |
| Employment and Labour Relations | 21,272 | 0.6 |
| Health | 882,888 | 25.0 |
| Justice | 113,895 | 3.2 |
| Municipal and Provincial Affairs | 172,733 | 4.9 |
| Newfoundland and Labrador Housing Corporation | 18,657 | 0.5 |
| Social Services | 280,859 | 7.9 |
| **Total: Social Sector** | 2,316,087 | 65.4 |

### RESOURCE SECTOR

| | Estimate 1992-93 ($000) | Percentage of Total % |
|---|---|---|
| Development | 157,426 | 4.5 |
| Environment and Lands | 30,808 | 0.9 |
| Fisheries | 43,538 | 1.2 |
| Forestry and Agriculture | 57,476 | 1.6 |
| Mines and Energy | 16,461 | 0.5 |
| **Total: Resource Sector** | 305,709 | 8.7 |

*EXHIBIT X*

## SUMMARY OF BUDGETARY FINANCING SOURCES
## (Current and Capital)




| Percentage of Total | | Category of Financing | Amount ($000) | |
|---|---|---|---|---|
| Revised 1991-92 | Estimate 1992-93 | | Estimate 1992-93 | Revised 1991-92 |
| | | **Revenue Sources:** | | |
| 49.0 | 49.2 | Provincial | 1,741,449 | 1,664,226 |
| 42.5 | 44.0 | Federal | 1,555,742 | 1,444,841 |
| 91.5 | 93.2 | | 3,297,191 | 3,109,067 |
| | | **Budgetary Requirement:** | | |
| | | Capital Account (Net Expenditure) | 210,751 | 227,328 |
| | | Current Account (Net Requirement) | 28,983 | 59,542 |
| 8.5 | 6.8 | Total Budgetary Requirement | 239,734 | 286,870 |
| 100.0 | 100.0 | **Total: Sources** | 3,536,925 | 3,395,937 |

*EXHIBIT XI*

## SUMMARY OF SALARY COSTS BY DEPARTMENT

### 1992-93 and 1991-92 (Revised)

| Department | 1992-93 Estimates | 1991-92 Revised |
|---|---|---|
| | $ | $ |
| Executive Council | 8,765,200 | 8,484,200 |
| Finance | 12,125,300 | 11,643,100 |
| Legislature | 4,801,600 | 4,730,500 |
| Public Service Commission | 1,811,300 | 1,788,700 |
| Works, Services and Transportation | 79,776,700 | 77,635,900 |
| Development | 6,892,500 | 6,640,600 |
| Environment and Lands | 14,725,900 | 13,838,200 |
| Fisheries | 8,141,500 | 7,577,100 |
| Forestry and Agriculture | 18,481,100 | 17,374,000 |
| Mines and Energy | 7,281,100 | 7,171,700 |
| Education | 10,159,100 | 10,002,000 |
| Employment and Labour Relations | 7,964,300 | 7,347,600 |
| Health | 16,845,700 | 16,931,500 |
| Justice | 49,670,300 | 48,245,800 |
| Municipal and Provincial Affairs | 12,432,300 | 12,348,100 |
| Social Services | 52,013,800 | 56,481,800 |
| **TOTAL** | 311,887,700 | 308,240,800 |
| Less: Capital Account Salary Expenditure | 8,220,300 | 7,708,200 |
| Total: Current Account Salary Expenditure | 303,667,400 | 300,532,600 |

* Includes salary expenditures for employment initiatives under the Department of Social Services Employment Opportunities Programs ($15,914,000 1992-93 Estimates, $21,083,900, 1991-92 Revised).

*EXHIBIT XII*

## ESTIMATED INTEREST AND DEBT RETIREMENT 1992-93

| Term | Series | Amount Outstanding | Interest Rate | Sinking Fund Rate | Interest | Sinking Fund | Debt Redemption |
|---|---|---|---|---|---|---|---|
| | | | % | % | $ | $ | $ |
| **Payable in Canadian Dollars:** | | | | | | | |
| 1967/92 | 3G | 3,728,000 | 6½ | 2½ | 121,200 | | |
| 1972/92 | 4F | 1,624,000 | 8¼ | 1½ | 67,000 | | 66,300 |
| 1972/93 | 4H | 5,812,000 | 8⅛ | 2 | 177,200 | | |
| 1973/93 | 4J | 6,455,000 | 8 | 2 | 516,400 | | |
| 1973/94 | 4K | 20,000,000 | 8½ | 1½ | 638,100 | | 2,652,500 |
| 1973/94 | 4L | 20,000,000 | 8⅞ | 1½ | 223,700 | | 2,880,100 |
| 1974/95 | 4Q | 15,000,000 | 10½ | 1½ | 1,575,000 | 225,000 | |
| 1975/96 | 4R | 25,000,000 | 10 | 1½ | 2,500,000 | 375,000 | |
| 1975/95 | 4U | 20,000,000 | 10⅜ | 1½ | 2,075,000 | 300,000 | |
| 1975/96 | 4V | 1,296,000 | 10½ | 1½ | 136,100 | 19,400 | |
| 1976/97 | 4X | 30,000,000 | 10¾ | 1½ | 3,225,000 | 450,000 | |
| 1977/99 | 4Z | 35,000,000 | 10 | 2 | 3,500,000 | 700,000 | |
| 1977/98 | 5B | 50,000,000 | 10 | 2 | 5,000,000 | 1,000,000 | |
| 1982/2002 | 5K | 50,000,000 | 14¾ | 2 | 7,375,000 | 1,000,000 | |
| 1983/2003 | 5L | 125,000,000 | 12⅞ | 2 | 16,093,800 | 2,500,000 | |
| 1984/2004 | 5N | 100,000,000 | 13½ | 2 | 13,500,000 | 2,000,000 | |
| 1985/95 | EU8 | 75,000,000 | 11⅜ | 2 | 11,444,700 | 2,016,800 | |
| 1985/97 | 5P | 80,000,000 | 10¼ | — | 8,200,000 | | |
| 1986/2006 | 5Q | 100,000,000 | 11 | 2 | 11,000,000 | 2,000,000 | |
| 1986/2001 | EC3 | 100,000,000 | 10 | 2 | 10,000,000 | 2,000,000 | |
| 1987/2010 | 5R | 100,000,000 | 9⅜ | 2 | 9,375,000 | 2,000,000 | |
| 1987/2007 | EC4 | 75,000,000 | 9½ | 2 | 7,125,000 | 1,500,000 | |
| 1987/2007 | 5S | 42,300,000 | 10.79 | 2 | 4,564,200 | 846,000 | |
| 1988/2008 | 5T | 100,000,000 | 11¼ | 2 | 11,250,000 | 2,000,000 | |
| 1988/97 | J5(i) | 75,000,000 | 10.86 | — | 8,144,900 | | |
| 1989/2012 | 5U | 125,000,000 | 11 | 2 | 13,750,000 | 2,500,000 | |
| 1989/2014 | 5V | 150,000,000 | 10⅛ | 1½ | 15,187,500 | 2,250,000 | |
| 1991/2001 | 5W | 150,000,000 | 10½ | — | 15,750,000 | | |
| Anticipated 1992/93 | | | | | 7,687,500 | | |
| | | | | | 190,202,300 | 25,682,200 | 5,598,900 |
| **Payable in United States Dollars:** | | | | | | | |
| 1977/2002 | AB | 75,000,000 | 9⅛ | 2 | 8,041,400 | 1,762,500 | |
| 1978/93 | J2 | 15,000,000 | 9¾ | — | 1,718,400 | | 8,225,000 |

*EXHIBIT XII*

## ESTIMATED INTEREST AND DEBT RETIREMENT 1992-93 (Cont'd)

| Term | Series | Amount Outstanding | Interest Rate | Sinking Fund Rate | Interest | Sinking Fund | Debt Redemption |
|---|---|---|---|---|---|---|---|
| | | | % | % | $ | $ | $ |
| **Payable in United States Dollars (Cont'd):** | | | | | | | |
| 1982/92 | AD | 100,000,000 | 13⅞ | 2 | 16,303,100 | | 80,448,100 |
| 1983/93 | S2 (ii) | 45,025,420 | 13.07 | — | 6,914,700 | | |
| 1986/96 | AE | 100,000,000 | 8½ | 2 | 9,987,500 | 2,350,000 | |
| 1987/2007 | AF | 100,000,000 | 11⅝ | 2 | 13,659,400 | 2,350,000 | |
| 1989/2019 | AG | 150,000,000 | 9 | 1½ | 15,862,500 | 2,643,800 | |
| 1990/2020 | AH | 150,000,000 | 9⅞ | ½ | 17,404,700 | 881,300 | |
| 1990/2020 | AJ | 150,000,000 | 10 | ½ | 17,625,000 | 881,300 | |
| 1991/2021 | AK | 200,000,000 | 9 | ½ | 21,091,300 | 1,175,000 | |
| 1992/94 | AL | 50,000,000 | 6.05 | — | 3,554,400 | | |
| | | | | | 132,162,400 | 12,043,900 | 88,673,100 |
| **Payable in Japanese Yen:** | | | | | | | |
| 1989/94 | J6 | 4,600,000,000 | 5.4 | — | 2,247,800 | | |
| 1989/94 | J7 | 2,400,000,000 | 5.4 | — | 1,172,800 | | |
| 1992/97 | J8 | 11,000,000,000 | 6.25 | — | 6,187,500 | | |
| | | | | | 9,608,100 | | |
| **Payable in Swiss Francs:** | | | | | | | |
| 1985/2000 | S3 | 150,000,000 | 5⅜ | — | 6,450,000 | | |
| 1987/2002 | S4 | 150,000,000 | 5⅛ | — | 6,150,000 | | |
| 1988/2003 | S5 | 150,000,000 | 5 | 2 | 6,000,000 | 2,471,200 | |
| 1990/1999 | S6 | 125,000,000 | 7½ | — | 7,500,000 | | |
| 1991/2003 | S7 | 150,000,000 | 7 | 2 | 8,400,000 | 2,191,700 | |
| | | | | | 34,500,000 | 4,662,900 | |
| | | | | | 366,472,800 | 42,389,000 | 94,272,000 |
| **Canada Pension Plan: (20 Year Term)** | | | | | | | |
| 1972/73 | 3A | 19,000,000 | 7.08 - 7.51 | 2 | 958,500 | | |
| 1973/74 | 3A | 21,690,000 | 7.30 - 7.75 | 2 | 1,633,300 | | |
| 1974/75 | 3A | 25,818,000 | 7.61 - 9.25 | 2 | 2,207,200 | | |
| 1975/76 | 3A | 29,429,000 | 8.21 - 9.48 | 2 | 2,631,800 | | |
| 1976/77 | 3A | 30,988,000 | 8.73 - 9.25 | 2 | 2,790,000 | | |
| 1977/78 | 3A | 33,037,000 | 8.77 - 9.37 | 2 | 3,001,000 | 660,700 | |
| 1978/79 | 3A | 36,622,000 | 9.35 - 10.16 | 2 | 3,499,500 | 732,400 | |
| 1979/80 | 3A | 40,070,000 | 9.98 - 12.74 | 2 | 4,242,100 | 801,400 | |
| 1980/81 | 3A | 42,645,000 | 11.61 - 13.46 | 2 | 5,416,800 | 852,900 | |

*EXHIBIT XII*

## ESTIMATED INTEREST AND DEBT RETIREMENT 1992-93 (Cont'd)

| Term | Series | Amount Outstanding | Interest Rate | Sinking Fund Rate | Interest | Sinking Fund | Debt Redemption |
|---|---|---|---|---|---|---|---|
| | | | % | % | $ | $ | $ |
| **Canada Pension Plan (Cont'd):** | | | | | | | |
| 1981/82 | 3A | 52,973,000 | 13.66 - 17.51 | 2 | 8,173,600 | 1,059,500 | |
| 1982/83 | 3A | 52,104,000 | 12.01 - 16.53 | 2 | 7,645,000 | 1,042,100 | |
| 1983/84 | 3A | 50,738,000 | 10.92 - 12.14 | 2 | 5,882,300 | 1,014,800 | |
| 1984/85 | 3A | 47,146,000 | 12.08 - 14.06 | 2 | 6,303,100 | 942,900 | |
| 1985/86 | 3A | 50,570,000 | 10.58 - 12.57 | 2 | 5,806,900 | 1,011,400 | |
| 1986/87 | 3A | 59,659,000 | 9.04 - 10.17 | 2 | 5,735,200 | 1,193,200 | |
| 1987/88 | 3A | 43,829,000 | 9.12 - 11.07 | 2 | 4,280,400 | 876,600 | |
| 1988/89 | 3A | 41,635,000 | 9.62 - 10.39 | 2 | 4,196,400 | 832,700 | |
| 1989/90 | 3A | 45,188,000 | 9.15 - 10.31 | 2 | 4,475,100 | 903,800 | |
| 1990/91 | 3A | 40,432,000 | 9.78 - 11.33 | 2 | 4,858,900 | 808,600 | |
| 1991/92 | 3A | 40,858,000 | 9.81 - 10.04 | 2 | 4,052,800 | 817,200 | |
| Anticipated 1992/1993 | | | | | 1,387,500 | - | |
| | | | | | 89,177,400 | 13,550,200 | |
| **Government of Canada:** | | | | | | | |
| 1973/93 | 4I | 3,661,200 | 7.28 | 1 | 266,500 | | 838,400 |
| Winter Capital Projects | | 3,827,200 | 7.44 - 9.40 | — | 303,400 | | |
| CMHC Loans | | 21,262,500 | 5.75 - 14.75 | — | 1,854,000 | | 418,400 |
| DRIE | | 27,065,700 | 5.77 - 9.72 | — | 2,271,900 | | 3,976,800 |
| | | | | | 4,695,800 | | 5,233,600 |
| **TOTAL** | | | | | 460,346,000 | 55,939,200 | 99,505,600 |

**EXCHANGE RATES USED IN CONVERSION**

U.S. ..... 1.1750 Cdn.
Yen ..... 0.0090 Cdn.
S.F. ..... 0.8000 Cdn.

(i) Series J5 represents a 7.6 billion Japanese Yen issue which has interest and principal repayments swapped into Canadian dollars.

(ii) Series S2 represents a 100 million Swiss Franc issue which has interest and principal repayments swapped into U.S. dollars.

*EXHIBIT XIII*

## DETAILS OF CAPITAL EXPENDITURES

## ESTIMATES 1992-93

| Activity No. | Details | Gross Expenditure | Related Revenue | Net Expenditure |
|---|---|---|---|---|
| | | $ | $ | $ |
| **CONSOLIDATED FUND SERVICES** | | | | |
| 1.3.02 | Issues under Guarantee (Statutory) | 1,000,000 | 1,000 | 999,000 |
| **TOTAL** | | 1,000,000 | 1,000 | 999,000 |
| **FINANCE** | | | | |
| 2.2.03 | Industrial Assistance | – | 1,576,600 | (1,576,600) |
| 2.2.04 | Newfoundland Industrial Development Corporation | – | 156,000 | (156,000) |
| **TOTAL** | | | 1,732,600 | (1,732,600) |
| **WORKS, SERVICES AND TRANSPORTATION** | | | | |
| 2.2.06 | Salt Storage Sheds | 100,000 | – | 100,000 |
| 2.2.07 | Alterations - Leased Accommodations | 230,000 | – | 230,000 |
| 2.3.04 | Vehicles and Equipment | 5,500,000 | 125,000 | 5,375,000 |
| 3.2.01 | Administrative Support | 846,800 | – | 846,800 |
| 3.2.02 | Pre-Engineering | 600,000 | – | 600,000 |
| 3.2.03 | Improvement and Construction — Roads | 11,750,000 | – | 11,750,000 |
| 3.2.04 | Road and Bridge Rehabilitation | 10,500,000 | – | 10,500,000 |
| 3.2.05 | Bridges and Causeways | 3,250,000 | – | 3,250,000 |
| 3.2.06 | Highways — Transport Canada — ERDA | 11,030,000 | 7,500,000 | 3,530,000 |
| 3.2.07 | Highways — Transportation Initiative | 30,000,000 | 30,000,000 | – |
| 3.2.08 | Regional Roads — Transportation Initiative | 20,000,000 | 20,000,000 | – |
| 3.2.10 | Special Highway Initiatives | 7,500,000 | – | 7,500,000 |
| 3.2.11 | Highway Safety Structures | 50,000 | – | 50,000 |
| 3.2.12 | Land Acquisition | 7,500,000 | – | 7,500,000 |
| 3.3.01 | Alterations to Existing Facilities | 11,040,800 | 75,000 | 10,965,800 |
| 3.3.02 | Development of New Facilities | 426,000 | – | 426,000 |
| 3.3.03 | Improvements to Land and Property | 2,578,000 | 215,000 | 2,363,000 |
| 3.3.04 | Advanced Planning — Studies | 3,700,000 | – | 3,700,000 |
| 4.2.03 | Air Strips | 1,500,000 | 1,500,000 | – |
| 4.3.04 | Ferry Terminals | 500,000 | – | 500,000 |
| 4.3.05 | Ferry Vessels | 756,000 | – | 756,000 |
| 5.2.03 | Realty Services | 65,500 | – | 65,500 |
| 5.3.02 | Park Development — C.A. Pippy Park Commission | 400,000 | – | 400,000 |
| **TOTAL** | | 129,823,100 | 59,415,000 | 70,408,100 |
| **DEVELOPMENT** | | | | |
| 2.1.06 | Marystown Shipyard Facility Enhancement — Offshore Fund | 11,243,700 | 8,432,800 | 2,810,900 |
| 2.2.03 | Ocean Industry Development | 950,000 | – | 950,000 |
| 2.2.04 | Hibernia GBS Site Construction — Offshore Fund | 52,000,000 | 39,000,000 | 13,000,000 |
| 2.4.06 | C-CORE Centrifuge Facility — Offshore Fund | 3,000,000 | 2,250,000 | 750,000 |
| 2.5.03 | Loan Fund — Enterprise Development | 14,200,000 | 6,500,000 | 7,700,000 |
| 2.5.04 | Savings Bonds Redemptions — Enterprise Development | 5,953,400 | – | 5,953,400 |
| 3.3.02 | Tourist Facilities | 780,000 | 140,000 | 640,000 |
| 3.3.03 | Travel Generators — Marble Mountain | 750,000 | – | 750,000 |
| **TOTAL** | | 88,877,100 | 56,322,800 | 32,554,300 |

*EXHIBIT XIII*

## DETAILS OF CAPITAL EXPENDITURES (Cont'd)

## ESTIMATES 1992-93

| Activity No. | Details | Gross Expenditure | Related Revenue | Net Expenditure |
|---|---|---|---|---|
| | | $ | $ | $ |
| **ENVIRONMENT AND LANDS** | | | | |
| 3.2.02 | Cottage Land Development | 185,000 | 185,000 | - |
| 4.1.06 | Park Planning and Development | 807,000 | 594,900 | 212,100 |
| 4.1.07 | National Parks | 5,000 | 2,500 | 2,500 |
| **TOTAL** | | 997,000 | 782,400 | 214,600 |
| **FISHERIES** | | | | |
| 2.3.03 | Administration — Planning — Construction of Fishing Facilities | 20,000 | - | 20,000 |
| 2.3.04 | Marine Service Centres | 509,200 | - | 509,200 |
| 2.3.05 | Fishermen's Facilities | 100,000 | 715,000 | (615,000) |
| 2.3.06 | Community Projects | 200,000 | - | 200,000 |
| 2.3.07 | Fisheries Initiatives — ERDA | 2,731,900 | 1,610,000 | 1,121,900 |
| 2.3.08 | Labrador Development Agreement | 300,000 | 210,000 | 90,000 |
| 3.1.06 | Middle Distance Fishing Vessels | 2,248,000 | - | 2,248,000 |
| 3.1.07 | Inshore Fishery Support | - | 500,000 | (500,000) |
| 5.1.03 | Incentives and Assistance — Fisheries Loan Board | 6,000,000 | 6,000,000 | - |
| 5.1.04 | Fishing Boat Bounties — Fisheries Loan Board | 2,200,000 | - | 2,200,000 |
| **TOTAL** | | 14,309,100 | 9,035,000 | 5,274,100 |
| **FORESTRY AND AGRICULTURE** | | | | |
| 2.4.05 | Forest Protection Facilities | 865,000 | 605,500 | 259,500 |
| 2.6.03 | Resource Roads Construction | 1,185,000 | - | 1,185,000 |
| 2.6.04 | Resource Roads Construction — CLDA | 315,000 | 220,500 | 94,500 |
| 2.8.05 | Forestry Nursery Facilities | 232,000 | - | 232,000 |
| 3.1.06 | Land Development | 500,000 | - | 500,000 |
| 3.1.07 | Environmental Sustainability Initiative | 450,000 | - | 450,000 |
| 3.3.06 | Farm Development Loan Board | 2,500,000 | 2,500,000 | - |
| 3.4.02 | Construction and Alterations — Newfoundland Farm Products Corporation | 620,000 | - | 620,000 |
| 3.6.04 | Livestock Feed Initiatives — ALFI | 1,200,000 | 999,600 | 200,400 |
| 3.6.05 | Agri-Food Initiatives | 1,700,000 | 1,062,500 | 637,500 |
| **TOTAL** | | 9,567,000 | 5,388,100 | 4,178,900 |
| **EDUCATION** | | | | |
| 2.1.09 | Building and Equipping Schools | 21,500,000 | - | 21,500,000 |
| 3.1.09 | Skills Training Projects — Offshore Fund | 887,000 | 665,200 | 221,800 |
| 3.2.03 | Furnishings and Equipment — Memorial University | 4,000,000 | - | 4,000,000 |
| 3.2.04 | Sir Wilfred Grenfell College | 248,600 | - | 248,600 |
| 3.2.07 | Various Buildings — Memorial University | 6,500,000 | - | 6,500,000 |
| 3.3.02 | Furnishings and Equipment — Institutes and Community Colleges | 2,000,000 | - | 2,000,000 |
| 3.3.03 | Institute and College Facilities | 3,056,500 | 395,200 | 2,661,300 |
| 3.3.04 | Petroleum Technology Training — Offshore Fund | 5,144,100 | 3,858,100 | 1,286,000 |
| 3.3.05 | Survival Centre — Offshore Fund | 4,870,000 | 3,653,000 | 1,217,000 |
| 3.3.06 | Simulator Training Centre — Offshore Fund | 3,972,000 | 2,979,000 | 993,000 |
| **TOTAL** | | 52,178,200 | 11,550,500 | 40,627,700 |

*EXHIBIT XIII*

## DETAILS OF CAPITAL EXPENDITURES (Cont'd)

## ESTIMATES 1992-93

| Activity No. | Details | Gross Expenditure | Related Revenue | Net Expenditure |
|---|---|---|---|---|
| | | $ | $ | $ |
| **HEALTH** | | | | |
| 4.4.01 | Hospital Equipment | 8,200,000 | - | 8,200,000 |
| 4.4.02 | Health Care Centres | 2,298,000 | 1,330,000 | 968,000 |
| 4.4.03 | Hospital Facilities | 3,150,000 | 195,000 | 2,955,000 |
| 4.4.04 | Newfoundland Cancer Treatment & Research Foundation | 5,300,000 | 1,000,000 | 4,300,000 |
| 4.5.01 | Furnishings and Equipment — Long Term Special Care Facilities | 1,000,000 | - | 1,000,000 |
| 4.5.02 | Long Term Special Care Facilities | 2,366,100 | - | 2,366,100 |
| **TOTAL** | | 22,314,100 | 2,525,000 | 19,789,100 |
| **JUSTICE** | | | | |
| 3.1.06 | Court Facilities | 2,378,000 | - | 2,378,000 |
| **TOTAL** | | 2,378,000 | - | 2,378,000 |
| **MUNICIPAL AND PROVINCIAL AFFAIRS** | | | | |
| 2.3.04 | Community Water Services | 1,000,000 | - | 1,000,000 |
| 2.3.05 | Waste Management Facilities | 505,000 | - | 505,000 |
| 2.3.06 | Industrial Water Systems | 543,600 | - | 543,600 |
| 2.3.07 | Water and Sewer Servicing — Coastal Labrador | 16,154,000 | 10,135,800 | 6,018,200 |
| 3.2.06 | Municipal Councils | 107,000 | - | 107,000 |
| 3.3.02 | Road Construction and Paving — Debt Principal | 8,400,000 | - | 8,400,000 |
| 3.3.03 | Water and Sewer Systems — Debt Principal | 16,125,000 | - | 16,125,000 |
| 3.3.04 | Environmental Improvements | 4,281,000 | 4,281,000 | - |
| 4.1.03 | Disaster Assistance for Infrastructure | 5,000 | - | 5,000 |
| 4.1.04 | Joint Emergency Preparedness Projects | 350,000 | 350,000 | - |
| 4.2.03 | Firefighting Vehicles and Apparatus | 1,000,000 | - | 1,000,000 |
| 5.1.04 | Community Sports Facilities | 1,531,000 | - | 1,531,000 |
| 6.1.05 | Support for Cultural Activities | 120,000 | - | 120,000 |
| 6.1.06 | Newfoundland Public Libraries Board | 175,000 | - | 175,000 |
| 6.3.04 | Historic Sites Development | 40,000 | 10,000 | 30,000 |
| **TOTAL** | | 50,336,600 | 14,776,800 | 35,559,800 |
| **SOCIAL SERVICES** | | | | |
| 3.2.04 | Youth Correction Facilities | 500,000 | - | 500,000 |
| **TOTAL** | | 500,000 | - | 500,000 |
| **TOTAL: CAPITAL ACCOUNT EXPENDITURES** | | 372,280,200 | 161,529,200 | 210,751,000 |